

Public Chapter 552

HOUSE BILL NO. 1793

By Representatives McDaniel, Kisber, Stamps, Davis, Walley, Bittle, Boyer

Substituted for: Senate Bill No. 1698

By Senators Henry, McNally, Gilbert, Atchley, Elsea, Person, Leatherwood, Jordan, Miller, Ramsey, Williams, Carter, Crowe, Koella

AN ACT to make appropriations for the purpose of defraying the expenses of the state government for the fiscal years beginning July 1, 1996 and July 1, 1997, in the administration, operation and maintenance of the legislative, executive and judicial branches of the various departments, institutions, offices and agencies of the state; for certain state aid and obligations; for capital outlay, for the service of the public debt, for emergency and contingency; to repeal certain appropriations and any acts inconsistent herewith; to provide provisional continuing appropriations; and to establish certain provisions, limitations and restrictions under which appropriations may be obligated and expended. This act makes appropriations for the purposes described above for the fiscal years beginning July 1, 1996 and July 1, 1997.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. That appropriations hereinafter set out are hereby made for the purpose of defraying the expenses of state government for the fiscal year beginning July 1, 1997, in the administration, operation and maintenance of the legislative, executive and judicial branches of the various departments, institutions, offices and agencies of the state, and for certain state aid and obligations and for capital outlay; for the service of the public debt, and for emergency and contingency, all according to the following schedule:

I. LEGISLATIVE		<u>1997-98</u>
1. General Assembly - Legislative Expense	\$	3,535,000.00
2. House of Representatives		8,098,700.00
3. State Senate		4,351,400.00
4. Office of Legislative Administration.....		507,300.00
5. Legislative Information Services.....		864,400.00
6. Office of Legal Services.....		1,727,000.00
7. Tennessee Code Commission		69,500.00
8. Select Oversight Committee on Corrections.....		203,800.00
9. Select Committee on Children and Youth		108,200.00
10. Fiscal Review Committee.....		655,800.00
Total Title I.....	\$	20,121,100.00
II. JUDICIAL		
1. Appellate and Trial Courts.....	\$	32,476,100.00

2.	Supreme Court Buildings	1,248,400.00
3.	Child Support Referees	268,600.00
4.	Indigent Defendants' Counsel.....	8,063,500.00
5.	Civil Legal Representation Fund.....	1,600,000.00
6.	Verbatim Transcripts	3,012,400.00
7.	Tennessee State Law Libraries.....	693,200.00
8.	Judicial Conference	202,700.00
9.	Judicial Committees	129,300.00
10.	State Court Clerks' Conference	155,100.00
11.	Administrative Office of the Courts.....	4,087,300.00
12.	Appellate Court Clerks.....	140,300.00
13.	Board of Law Examiners	380,600.00

Total Title II..... \$ 52,457,500.00

III. EXECUTIVE

1. Constitutional and Quasi-Judicial Offices

1. Attorney General and Reporter

1.1	Attorney General	\$ 11,126,900.00
1.2	Publication of Tennessee Reports	169,200.00
1.3	Special Litigation.....	187,600.00
	Total Attorney General and Reporter	\$ 11,483,700.00

2. District Attorneys General

2.1	District Attorneys General.....	\$ 34,523,400.00
2.2	District Attorneys General Conference	206,800.00
2.3	Executive Director	728,800.00
2.4	IV-D Child Support.....	254,900.00
	Total District Attorneys General	\$ 35,713,900.00

3. Department of State

3.1	Secretary of State	\$ 6,026,200.00
3.2	State Election Commission	1,798,600.00
3.3	Public Documents	842,300.00
3.4	Library and Archives.....	4,865,900.00
3.5	Regional Libraries	5,985,900.00
3.6	Registry of Election Finance	277,900.00
	Total Department of State.....	\$ 19,796,800.00

4. Public Defenders

4.1	District Public Defenders.....	\$ 16,520,100.00
4.2	Executive Director	539,000.00
4.3	Shelby County Public Defender	2,533,300.00
4.4	Davidson County Public Defender	1,247,500.00
	Total Public Defenders.....	\$ 20,839,900.00

5. Comptroller of the Treasury

5.1	Division of Administration.....	\$ 517,300.00
5.2	Office of Management Services	3,409,600.00
5.3	Division of State Audit	5,399,200.00
5.4	Division of County Audit.....	3,662,900.00
5.5	Division of Municipal Audit	931,100.00
5.6	Division of Bond Finance	211,000.00

5.7	Office of Local Government		250,700.00
5.8	Division of Property Assessments		6,051,900.00
5.9	Tax Relief.....		10,546,600.00
5.10	State Board of Equalization.....		2,073,500.00
5.11	Division of Local Finance		240,300.00
5.12	Offices of Research & Education Accountability.....		826,600.00
5.13	Office of State Assessed Properties		508,900.00
	Total Comptroller of the Treasury	\$	34,629,600.00
6.	Post-Conviction Defender Commission		
6.1	Post-Conviction Defender Commission.....	\$	655,300.00
	Total Post-Conviction Defender Commission.....	\$	655,300.00
7.	Department of Treasury		
7.1	Treasury Department	\$	671,000.00
	Total Department of Treasury	\$	671,000.00
8.	Claims and Compensation		
8.1	Criminal Injuries Compensation	\$	5,827,600.00
	Total Claims and Compensation.....	\$	5,827,600.00
	Total Title III-1.....	\$	129,617,800.00

The appropriation made under Title III-1, Item 8 may be increased or decreased as realized receipts of the Criminal Injuries Compensation Fund justify, subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1.

2. Executive Offices

1.	Governor's Office		
1.1	Governor's Office	\$	3,222,700.00
1.2	Intergovernmental Conferences & Special Operations	\$	354,100.00
	Total Executive Programs	\$	3,576,800.00
2.	Commissions		
2.1	Tennessee Commission on Children and Youth	\$	1,200,900.00
2.2	Tennessee Commission on Aging.....		3,458,100.00
2.3	Alcoholic Beverage Commission		1,657,600.00
2.4	Tennessee Human Rights Commission.....		964,100.00
2.5	Health Facilities Commission		508,100.00
2.6	Tennessee Corrections Institute.....		548,700.00
2.7	Tennessee Council of Juvenile and Family Court Judges		339,000.00
2.8	Tennessee Regulatory Authority		4,631,000.00
2.9	Advisory Commission on Intergovernmental Relations.....		406,900.00
2.10	Tennessee Arts Commission		2,131,300.00
2.11	Tennessee State Museum.....		1,893,500.00
2.12	Board of Paroles.....		16,329,300.00
	Total Commissions	\$	34,068,500.00

3. Department of Finance and Administration

3.1	Administration	\$	945,000.00
3.2	Budget Division		1,739,000.00
3.3	Division of Accounts.....		2,953,200.00
3.4	Criminal Justice Programs		167,700.00
3.5	Resource Development and Support		671,800.00
3.6	Capital Projects Management		2,053,500.00
3.7	Real Property Management		163,300.00
3.8	Tennessee Commission on National and Community Development.		94,100.00
	Total Department of Finance and Administration	\$	8,787,600.00
4.	Department of Personnel		
4.1	Executive Administration	\$	1,484,900.00
4.2	Human Resource Development		650,400.00
4.3	Technical Services		1,456,200.00
	Total Department of Personnel	\$	3,591,500.00

5.	Department of General Services		
5.1	Administration	\$	519,600.00
5.2	Property Utilization.....		600.00
5.3	Property Services Management.....		1,414,300.00
5.4	Purchasing		22,000.00
	Total Department of General Services	\$	1,956,500.00
6.	Department of Veterans Affairs	\$	2,193,700.00
	Total Title III-2.....	\$	54,174,600.00
3.	Department of Agriculture		
1.	Administration	\$	2,461,100.00
2.	Animal Industries		1,305,800.00
3.	Plant Industries		714,500.00
4.	Quality and Standards		3,857,300.00
5.	Marketing.....		1,074,400.00
6.	Commodity Distribution		273,800.00
7.	Agricultural Fairs and Promotions		314,500.00
8.	Agricultural Resources.....		654,900.00
9.	Technical Services		2,970,800.00
10.	Forestry		14,561,100.00
11.	Forestry Maintenance		158,500.00
12.	Tennessee Agricultural Regulatory Fund.....		1,772,100.00
	Total Title III-3	\$	30,118,800.00
4.	Department of Tourist Development		
1.	Administration and Marketing.....	\$	8,980,300.00
2.	Welcome Center Services		1,361,700.00
	Total Title III-4.....	\$	10,342,000.00
5.	Department of Environment and Conservation		
1.	Administrative Services.....	\$	2,922,600.00
2.	Conservation Administration		1,051,900.00
3.	Historical Commission		1,069,700.00
4.	Archaeology.....		416,700.00
5.	Geology		1,008,200.00
6.	Tennessee State Parks		20,303,400.00
7.	Natural Heritage.....		414,800.00
8.	Tennessee State Parks Maintenance		3,356,500.00
9.	Maintenance of Historic Sites		163,200.00
10.	West Tennessee River Basin Authority		648,600.00
11.	Environment Administration		1,082,200.00
12.	Used Oil Collection Program.....		1,222,900.00
13.	Tennessee Dry Cleaners Environmental Response Fund		2,314,300.00
14.	Environmental Assistance		734,000.00
15.	Air Pollution Control		1,808,800.00
16.	Radiological Health		333,900.00
17.	Construction Grants and Loans		1,843,600.00
18.	Water Pollution Control		4,667,400.00
19.	Solid Waste Management		1,735,000.00

20.	Abandoned Lands	500,000.00
21.	Hazardous Waste Remedial Action Fund	1,000,000.00
22.	Water Supply.....	632,700.00
23.	Groundwater Protection	2,844,600.00
24.	Underground Storage Tanks.....	16,626,700.00
25.	Solid Waste Assistance Fund	8,977,700.00
26.	Environmental Protection Fund.....	29,647,200.00
27.	Safe Drinking Water Revolving Fund	2,500,000.00

Total Title III-5.....	\$	109,826,600.00
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6. Wildlife Resources Agency

1.	Wildlife.....	\$	25,979,100.00
2.	Boating Safety		3,231,000.00

Total Title III-6.....	\$	29,210,100.00
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The appropriation made under Title III-6 may be increased or decreased as realized receipts of the Wildlife Resources Fund justify, subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1.

7. Department of Correction

1.	Administration	\$	9,548,000.00
2.	Field Services		21,664,200.00
3.	State Prosecutions.....		71,245,200.00
4.	Knoxville Community Service Center		2,821,600.00
5.	Tennessee Correction Academy.....		3,114,200.00
6.	Nashville Community Service Center		4,685,800.00
7.	Wayne County Boot Camp		7,122,100.00
8.	Chattanooga Community Service Center		2,543,200.00
9.	Brushy Mountain State Penitentiary.....		12,052,400.00
10.	Cold Creek Correctional Center.....		12,052,900.00
11.	Tennessee Prison for Women.....		10,193,400.00
12.	Turney Center Industrial Prison and Farm		16,574,600.00
13.	Mark Luttrell Reception Center		9,222,500.00
14.	Middle Tennessee Reception Center.....		12,007,000.00
15.	Southeast Tennessee State Regional Correctional Facility		13,626,500.00
16.	Morgan County Regional Correctional Facility		12,827,900.00
17.	Major Maintenance		2,792,600.00
18.	Local Correctional Programs		8,566,600.00
19.	Carter County Work Camp		3,646,400.00
20.	Lake County Regional Correctional Facility		10,452,600.00
21.	West Tennessee High Security Facility		13,960,900.00
22.	Riverbend Maximum Security Institution		15,730,000.00
23.	Northeast Correctional Center		19,645,700.00
24.	South Central Correctional Center		18,409,900.00
25.	Northwest Correctional Center		18,591,600.00
26.	DeBerry Special Needs Facility.....		32,746,800.00
27.	Tennessee Correctional Work Center		2,671,200.00
28.	Incarceration Agreement - Hardeman County.....		21,021,300.00
29.	TriCor		264,600.00

30.	Lauderdale County Prison Complex		4,323,000.00
31.	Sentencing Act of 1985.....		22,188,400.00
	Total Title III-7.....	\$	416,313,100.00
8.	Department of Economic and Community Development		
1.	Administrative and Support Services	\$	3,811,000.00
2.	Division of Industrial Development.....		2,006,300.00
3.	Division of Business Development		663,800.00
4.	95 County Jobs Program.....		7,000,000.00
5.	Division of Community Development		2,871,300.00
6.	Division of Energy.....		158,900.00
7.	Industrial Training Service		3,568,400.00
8.	Regional Grants Management		1,767,800.00
	Total Title III-8.....	\$	21,847,500.00
9.	Department of Education		
1.	Administrative Services		
1.1	Administration	\$	5,913,300.00
1.2	State Board of Education.....		580,600.00
	Total Administrative Services.....	\$	6,493,900.00
2.	Kindergarten, Elementary and Secondary		
2.1	State Programs		
a.	Curriculum and Instruction	\$	2,919,500.00
b.	Career Ladder		109,254,000.00
c.	BEP and Other LEA Support		2,154,749,600.00
d.	Driver Education.....		1,700,000.00
e.	Adult and Community Education.....		2,803,400.00
f.	Training and Professional Development		2,327,900.00
g.	Grants-In-Aid		2,288,600.00
h.	Technology, Infrastructure, and Support Systems		2,906,100.00
i.	Accountability.....		6,500,300.00
	Subtotal State Programs.....	\$	2,285,449,400.00
2.2	Federally Funded and Supported Programs		
a.	Improving School Programs		152,500.00
b.	Child Nutrition		4,931,200.00
c.	Special Education Services.....		4,431,400.00
d.	Tennessee Early Childhood Services		2,174,500.00
	Subtotal Federally Funded and Supported Programs	\$	11,689,600.00
	Total Kindergarten, Elementary and Secondary	\$	2,297,139,000.00
3.	Vocational Education		
3.1	Vocational Education Programs	\$	3,966,700.00
	Total Vocational Education	\$	3,966,700.00
4.	Special Schools		
4.1	Alvin C. York Institute	\$	2,908,000.00

4.2	Tennessee School for the Blind		6,328,100.00
4.3	Tennessee School for the Deaf		8,729,100.00
4.4	West Tennessee School for the Deaf		1,346,500.00
4.5	Major Maintenance		239,000.00
	Total Special Schools	\$	19,550,700.00
	Total Title III-9.....	\$	2,327,150,300.00
10.	Higher Education		
1.	Administration and Support Services		
1.1	Tennessee Higher Education Commission	\$	1,607,400.00
1.2	Contract Education		2,405,000.00
1.3	Tennessee Student Assistance Awards		18,024,100.00
1.4	Tennessee Student Assistance Corporation		822,000.00
1.5	Loan/Scholarship Programs		875,000.00
1.6	Tennessee Foreign Language Institute.....		234,600.00
1.7	THEC Grants		2,764,700.00
	Total Administration and Support Services.	\$	26,732,800.00
2.	Excellence Initiatives		
2.1	Academic Scholars Programs	\$	251,800.00
2.2	Centers of Excellence		17,062,900.00
2.3	Campus Centers of Emphasis		1,235,000.00
	Total Excellence Initiatives.....	\$	18,549,700.00
3.	University of Tennessee System		
3.1	Administrative and Other Services		
a.	U.T. University-Wide Administration	\$	2,117,500.00
b.	U.T. Institute for Public Service		4,142,000.00
c.	U.T. Municipal Technical Advisory Service		1,189,600.00
d.	U.T. County Technical Assistance Service		916,100.00
e.	U.T. Space Institute		6,362,100.00
	Subtotal Administrative and Other Services	\$	14,727,300.00
3.2	Agricultural Services		
a.	U.T. Agricultural Experiment Stations.....	\$	17,922,500.00
b.	U.T. Agricultural Extension Service		20,585,500.00
c.	U.T. Veterinary Medicine.....		11,054,400.00
	Subtotal Agricultural Services	\$	49,562,400.00
3.3	Medical Education		
a.	U.T. Memphis	\$	46,083,900.00
b.	U.T. Family Medicine.....		4,352,800.00
c.	U.T. College of Medicine		33,285,100.00
	Subtotal Medical Education	\$	83,721,800.00
3.4	University Campuses		
a.	U.T. Chattanooga.....	\$	32,083,600.00
b.	U.T. Knoxville.....		145,029,000.00
c.	U.T. Martin		24,470,100.00

	Subtotal University Campuses	\$	201,582,700.00
	Total University of Tennessee	\$	349,594,200.00
4.	Tennessee Board of Regents		
4.1	Administration		
	a. Tennessee Board of Regents	\$	3,019,300.00
	Subtotal Administration	\$	3,019,300.00
4.2	Medical Education		
	a. East Tennessee State		
	University - College of Medicine	\$	19,465,600.00
	b. East Tennessee State		
	University - Family Practice		2,955,700.00
	Subtotal Medical Education	\$	22,421,300.00
4.3	Regional Universities		
	a. Austin Peay State University	\$	25,075,600.00
	b. East Tennessee State University		44,317,000.00
	c. University of Memphis		88,970,700.00
	d. Middle Tennessee State University		61,733,500.00
	e. Tennessee State University		31,357,800.00
	f. Tennessee Technological University		37,093,200.00
	Subtotal Regional Universities	\$	288,547,800.00
4.4	Community Colleges and Technical Institutes		
	a. State Technical Institute at Memphis	\$	17,748,200.00
	b. Nashville State Technical Institute		9,398,300.00
	c. Pellissippi State Technical		
	Community College		14,971,700.00
	d. Northeast State Technical		
	Community College		7,430,300.00
	e. Chattanooga State Technical		
	Community College		18,075,800.00
	f. Cleveland State Community College		7,941,600.00
	g. Columbia State Community College		8,359,700.00
	h. Dyersburg State Community College		4,786,800.00
	i. Jackson State Community College		8,093,400.00
	j. Motlow State Community College		7,112,800.00
	k. Roane State Community College		13,306,900.00
	l. Shelby State Community College		15,433,200.00
	m. Volunteer State Community College		11,620,700.00
	n. Walters State Community College		12,332,700.00
	Subtotal Community Colleges and Technical Institutes	\$	156,612,100.00
4.5	Technology Centers		
	a. Tennessee Technology Centers	\$	28,881,900.00
	Subtotal Technology Centers	\$	28,881,900.00
	Total Tennessee Board of Regents	\$	499,482,400.00
	Total Title III-10	\$	894,359,100.00

11. Department of Commerce and Insurance

1.	Insurance.....	\$	2,318,300.00
2.	Consumer Affairs		616,400.00
3.	Tennessee Racing Commission		60,200.00
4.	Regulatory Boards		13,547,900.00
4.1	Real Estate Education and Recovery Fund		45,100.00
4.2	Auctioneer Education and Recovery Fund.....		28,600.00
5.	Commission on Firefighting Personnel		2,344,300.00
	Total Title III-11.....	\$	18,960,800.00

**12. Department of Financial
Institutions**

		\$	5,051,400.00
	Total Title III-12	\$	5,051,400.00

The appropriation made under Title III-12 may be increased or decreased as realized receipts justify, subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1.

13. Department of Labor

1.	Administration	\$	923,200.00
2.	Tennessee Occupational Safety and Health Administration (TOSHA)		3,202,600.00
3.	Workers' Compensation		6,899,900.00
4.	Mines		410,300.00
5.	Labor Standards.....		719,900.00
6.	Second Injury Fund.....		2,695,900.00
	Total Title III-13.....	\$	14,851,800.00

**14. Department of Mental Health and
Mental Retardation**

1.	Administration		
1.1	Administrative Services Division.....	\$	6,492,900.00
	Total Administrative Services Division	\$	6,492,900.00
2.	Mental Health Services		
2.1	Mental Health Services Administration.....	\$	967,200.00
2.2	Non-TennCare Mental Health Services		109,712,600.00
2.3	Lakeshore Mental Health Institute		1,048,800.00
2.4	Middle Tennessee Mental Health Institute		1,660,000.00
2.5	Western Mental Health Institute		1,185,000.00
2.6	Moccasin Bend Mental Health Institute.....		1,782,200.00
2.7	Memphis Mental Health Institute		44,800.00
2.8	Community Mental Health Services		21,200.00
	Total Mental Health Services.....	\$	116,421,800.00
3.	Mental Retardation Services		
3.1	Mental Retardation Administration.....	\$	4,180,400.00

3.2	Developmental Disabilities Council.....		80,600.00
3.3	Community Mental Retardation Services		27,335,300.00
3.4	Regional Offices of Community Services		6,118,600.00
3.5	Arlington Developmental Center		1,632,800.00
3.6	Clover Bottom Developmental Center.....		1,486,900.00
3.7	Greene Valley Developmental Center.....		443,900.00
3.8	Nat T. Winston Developmental Center		283,200.00
	Total Mental Retardation Services.....	\$	41,561,700.00
4.	Major Maintenance and Equipment.....	\$	750,000.00
	Total Title III-14.....	\$	165,226,400.00
15.	Department of Military		
1.	Administration	\$	1,692,100.00
2.	Army National Guard		586,200.00
3.	Air National Guard.....		931,300.00
4.	Tennessee Emergency Management Agency		1,069,500.00
5.	Armories Maintenance.....		735,700.00
6.	Armories Utilities.....		1,553,200.00
	Total Title III-15.....	\$	6,568,000.00
16.	Department of Health		
1.	Administration		
1.1	Executive Administration	\$	3,335,300.00
1.2	Administrative Services.....		2,595,400.00
1.3	Information Resources		4,069,700.00
	Total Administration.....	\$	10,000,400.00

2.	Manpower Resources And Facilities		
2.1	Health Care Facilities	\$	3,080,700.00
2.2	Emergency Medical Services		686,900.00
2.3	Laboratory Services		6,809,400.00
2.4	Health Related Boards		5,649,600.00
	Total Manpower Resources and Facilities.....	\$	16,226,600.00
3.	Community Health Services		
3.1	Health Services	\$	9,022,600.00
3.2	Division of General Environmental Health.....		5,084,500.00
3.3	Chronic Renal Disease Control.....		474,000.00
3.4	Hemophilia		692,300.00
3.5	Alcohol and Drug Services.....		8,864,400.00
3.6	Maternal and Child Health		3,348,800.00
3.7	Division of Special Services.....		111,800.00
3.8	Communicable Disease Control		5,058,800.00
3.9	HSA Medical Programs		2,348,600.00
3.10	Population Based Services		6,419,600.00
	Total Community Health Services	\$	41,535,400.00
4.	Local Health		
4.1	Local Health Services	\$	5,827,400.00
	Total Local Health	\$	5,827,400.00
5.	Health Grant Assistance Programs		
5.1	Nursing Home Grant Assistance Program	\$	15,000,000.00
	Total Health Grant Assistance Programs	\$	15,000,000.00
	Total Title III-16.....	\$	88,589,800.00
17.	Department of Human Services		
1.	Administration		
1.1	Administration	\$	19,279,800.00
1.2	Field Operations		5,619,600.00
1.3	County Rentals		3,700,700.00
	Total Administration.....	\$	28,600,100.00
2.	Family Assistance Services		
2.1	Child Support.....	\$	2,449,100.00
2.2	Temporary Cash Assistance		7,496,000.00
2.3	Family Assistance Services		38,462,900.00
	Total Family Assistance Services.....	\$	48,408,000.00
3.	Social Services		
3.1	Community Services	\$	54,841,300.00
	Total Social Services.....	\$	54,841,300.00
4.	Rehabilitative Services		
4.1	Vocational Rehabilitation.....	\$	7,977,900.00
	Total Rehabilitative Services.....	\$	7,977,900.00
	Total Title III-17.....	\$	139,827,300.00
18.	Department of Revenue		

1.	Administration	\$	4,017,300.00
2.	Tax Enforcement		2,679,300.00
3.	Management Information Systems.....		6,947,100.00
4.	Taxpayer Services.....		2,455,900.00
5.	Processing		2,200,700.00
6.	Field Audit.....		9,997,600.00
7.	Office of Audit and Examination.....		3,940,400.00
	Total Title III-18.....	\$	32,238,300.00
19.	Tennessee Bureau of Investigation.....	\$	15,823,600.00
	Total Title III-19.....	\$	15,823,600.00
20.	Department of Safety		
1.	Administration	\$	3,572,000.00
2.	Driver License Issuance		135,600.00
3.	Highway Patrol.....		52,583,300.00
4.	Motorcycle Education		156,100.00
5.	Motor Vehicle Operations.....		5,088,000.00
6.	Driver Education.....		197,400.00
7.	Training Academy		1,837,500.00
8.	POST Commission		5,644,100.00
9.	Titling and Registration		8,537,200.00
10.	Major Maintenance		250,000.00
11.	Technical Services		62,500.00
12.	CID Anti-Theft Unit		610,600.00
	Total Title III-20.....	\$	78,674,300.00
21.	Miscellaneous Appropriations		
1.	Consolidated Retirement System		
1.1	County Officials and County Judges Retirement Contribution	\$	5,500,000.00
1.2	Former Governors and Widows of Former Governors - Pensions.....		170,000.00
1.3	Widow of Appellate Judge - Pension		1,800.00
1.4	General Sessions Judges Retirement.....		100,000.00
1.5	3.6% Indexing.....		420,000.00
2.	State Employees' Unemployment Compensation, Sick Leave, Death Benefit Payments and Terminal Leave Payments		200,000.00
3.	Retirees Health Insurance		4,752,000.00
4.	State School Bond Authority - Debt Service		600,000.00
5.	Attorney's Fee - Civil Rights.....		500,000.00
6.	Special Election Reimbursement to Counties		130,000.00
7.	Disaster Relief Grants.....		1,000,000.00
8.	Criminal Justice Programs.....		1,354,000.00
9.	Tennessee Association of Rescue Squads		78,300.00
10.	YMCA Youth Legislature		25,000.00

11. Year 2000 Modifications		
6,000,000.00		
12. Facilities Revolving Fund Rate Increase		4,000,000.00
13. State Employees Salary Adjustments.....		10,000,000.00
14. State Employees Group Insurance.....		9,400,000.00
15. Higher Education Study Panel		100,000.00
16. Finance and Administration - Special Projects.....		200,000.00
Total Title III-21.....	\$	44,531,100.00

22. Children's Services

1. Administration	\$	8,779,700.00
2. Family Support Services		24,669,300.00
3. Custody Services		67,432,000.00
4. Adoption Services		
7,048,800.00		
5. Child and Family Management.....		27,536,100.00
6. John S. Wilder Youth Development Center		6,488,300.00
7. Taft Youth Development Center.....		8,415,000.00
8. Woodland Hills Youth Development Center		7,751,900.00
9. Mountain View Youth Development Center.....		7,880,100.00
10. Community Treatment Facilities.....		4,216,100.00
11. Tennessee Preparatory School.....		7,627,400.00
Total Title III-22.....	\$	177,844,700.00

23. TennCare

1. TennCare Administration	\$	
53,989,200.00		
2. TennCare Services		617,223,400.00
3. Long-Term Care Services.....		314,788,300.00
4. Waiver and Crossover Services.....		122,572,700.00
Total Title III-23.....	\$	1,108,573,600.00

24. Emergency and Contingency Fund	\$	819,300.00
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Total Title III-24.....	\$	819,300.00
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The Emergency and Contingency Fund may be used for any purpose authorized by law to be allowed on Executive Order of the Governor; provided, however, the Emergency and Contingency Fund shall not be used to fund any law requiring the expenditure of state funds unless an appropriation is made elsewhere for the estimated first year's funding.

25. Major Maintenance and Equipment

1. State Building Commission.....	\$	207,900.00
Total Title III-25.....	\$	207,900.00

26. Department of Transportation

There is hereby appropriated for the use of the Department of Transportation such receipts of highway revenues as are now provided by law, or may hereafter be so provided, to accrue to that department during the fiscal year, beginning July 1, 1997, to be expended by the Commissioner of Transportation, all according to the following schedule:

		<u>1997-98</u>
1. Administration		
1.1 D.O.T. Headquarters	\$	24,697,000.00
1.2 Bureau of Planning and Development		16,666,000.00
1.3 Bureau of Operations		8,473,000.00
1.4 Field Engineering		21,916,000.00
1.5 Insurance Premiums		5,200,000.00
Total Administration	\$	76,952,000.00
2. Equipment Purchases and Operations	\$	14,218,000.00
3. Highway Maintenance	\$	244,483,000.00
4. State Construction		
4.1 Highway Betterments	\$	8,000,000.00
4.2 State Aid		26,700,000.00
4.3 State Industrial Access		11,000,000.00
4.4 Local Interstate Connectors		1,500,000.00
4.5 Capital Improvements		3,874,000.00
Total State Construction	\$	51,074,000.00
5. Federal Construction		
5.1 Mass Transit	\$	15,058,000.00
5.2 Highway Planning and Research		2,350,000.00
5.3 Interstate Construction		7,625,000.00
5.4 State Highway Construction		249,121,000.00
5.5 Bridge Replacement		2,000,000.00
5.6 Air, Water and Rail		16,900,000.00
Total Federal Construction	\$	293,054,000.00
Total Title III-26	\$	679,781,000.00

Said funds so appropriated shall be obligated and expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1. There is further appropriated to the Department of Transportation such departmental revenue, expressly including federal matching funds, as may accrue to the department.

The "Proposed Highway Program for Fiscal Year 1997-98", prepared by the Department of Transportation as a supplement to and as "Supporting Data for the Budget Request", is hereby incorporated into and made a part of the Appropriations Act.

Whenever a determination is made that one or more of the projects in the approved program cannot be proceeded with, the Commissioner of Transportation shall furnish, in written form as prescribed by the Chairmen of the Finance, Ways and Means Committees of the Senate and House and the Chairmen of the Transportation Committees of the Senate and House, the reasons for such proposed cancellation or rescheduling of said project, together with a recommendation for a substitute project. The notice of cancellation or rescheduling of said project shall be submitted to the Speaker of the Senate, the

Speaker of the House of Representatives, the Chairmen of the Finance, Ways and Means Committees of the Senate and House, the Chairmen of the Transportation Committees of the Senate and House and to the individual Senator and Representative in whose districts the canceled project or proposed substitution is located.

From the funds appropriated above in Item 4.2, State Aid, the sum of (\$9,600,000.00) is allocated for the purpose of funding the state's seventy percent (70%) share of the project cost of the 1990 Bridge Grant Program. For the fiscal 1997-1998 budget, the state shall fund a seventy percent (70%) share of this program and local governments shall be responsible for funding the remaining thirty percent (30%).as set forth in Tennessee Code Annotated, Title 54, Chapter 4, Part 5.

For the fiscal year beginning July 1, 1997, the Commissioner of Transportation shall distribute this money among the ninety-five (95) county geographical areas of the State according to the following formula:

One-half of the funds shall be distributed equally, and one-half shall be distributed on the basis of structural needs. Structural needs shall be determined by calculating the ratio of linear feet of bridges with a load rating of less than ten tons, in each county geographical area, located on public roads other than those on a federal-aid system or the state system of highways, to the total linear feet of like bridges in the State.

27. State Funding Board

There is hereby appropriated to the State Funding Board for interest and reduction of the State debt, for debt service expense and interest on proposed bond authorization:

		<u>1997-98</u>
1. Interest on State Debt	\$	37,652,000.00
2. Retirement of Bonds		55,961,000.00
3. Debt Service Expense.....		500,000.00
4. Amortization of Authorized and Unissued Construction Bonds.....		59,404,000.00
5. Amortization of Authorized and Unissued Highway Bonds		79,800,000.00
Total Title III-27.....	\$	233,317,000.00

The appropriation made under Section 1, Title III-27, Items 1, 2, 3, 4 and 5 is made under the provisions of Tennessee Code Annotated, Title 9, Chapter 9, and may be increased to such amounts as will be necessary to carry out such provisions.

28. Capital Outlay

There is hereby appropriated to each of the departments and agencies enumerated herein, funds for major maintenance, equipment, construction and acquisition of land, and for expansion, improvement, betterments and repairs to existing structures. The Commissioner of Finance and Administration is hereby authorized to transfer the amounts herein appropriated to the Capital Projects Fund for the use of the said departments and agencies.

1997-98

1. Department of Environment and Conservation -		
West Tennessee River Basin Authority	\$	500,000.00
Total Title III-28.....	\$	500,000.00

Said funds herein appropriated shall be used solely for improvements, betterments, and additions to state structures and for the acquisition of additional land and space, including the purchase of existing structures and grants, as described or referred to above and as approved by the State Building Commission; provided, further, that such funds as are appropriated herein shall be utilized to finance only those projects, improvements, betterments, or additions which are presented in the State of Tennessee's 1997-98 Budget Document, as amended by any changes or additional projects contained in the Appropriations Act as passed on third and final consideration; provided, further, that all funds appropriated in this act or other general acts of this session for capital outlay shall be subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 15, Part 1.

29. Capital Outlay--Sinking Fund

There is hereby appropriated for the fiscal year beginning July 1, 1997, to the Sinking Fund from the receipts of the tax levied by Tennessee Code Annotated, Title 67, Chapter 4, Part 8, "The Excise Tax Law", an amount to be determined by the State Funding Board.

SECTION 2. Capital Outlay and Major Maintenance

Item 1. Any funds appropriated by this General Assembly for capital outlay, capital maintenance and major maintenance shall not revert to the general fund but shall remain available until expended. It is the intent of the General Assembly that funds of capital outlay nature shall remain available until expended for the purpose for which the appropriations were made.

Item 2. Any unexpended capital outlay or capital maintenance funds appropriated by previous General Assemblies for completed or discontinued projects shall be accumulated in a capital account to be administered by Finance and Administration. Expenditure of these funds is subject to approval by the State Building Commission upon recommendation by the Commissioner of Finance and Administration of each project to be provided for from said funds.

Item 3. From the appropriations made to the State Funding Board in Section 1, Title III-27, the Funding Board is hereby authorized to allocate and provide to the Capital Projects Fund such funds not required for debt service during fiscal year 1997-98 for projects duly authorized and approved by the General Assembly; provided, however, that when the Funding Board allocates funds under this provision, any other appropriation or bond authorization for said purpose is hereby reduced accordingly.

Item 4. From the funds appropriated for capital outlay in this act and other acts of the legislature, the Commissioner of Finance and Administration, with the approval of the State Building Commission, is authorized to charge the administrative costs of the construction programs to the capital outlay appropriations or to transfer from the Capital Projects Fund to the general fund

an amount sufficient to cover those costs. Such expenditures shall be from non-bond proceeds.

Item 5. From the funds appropriated for capital outlay in this act and other acts of the legislature, the Commissioner of Finance and Administration is authorized to establish and charge the costs of design and engineering positions to the capital outlay appropriations or to transfer from the Capital Projects Fund to the general fund an amount sufficient to cover these costs. This item is subject to approval by the State Building Commission.

Item 6. From the funds appropriated for capital outlay in this act and other acts of the legislature, the Commissioner of Finance and Administration, with the approval of the State Building Commission, is authorized to transfer the appropriations for capital outlay to the Department of Finance and Administration to provide for the centralized administration of capital outlay. It is further the legislative intent to allow for centralized administration of any project recommended by the Commissioner of Finance and Administration and approved by the State Building Commission.

Item 7. To the extent that the accumulated yearly interest and earnings of the Natural Resources Trust Fund are available through June 30, 1997, said funds are hereby appropriated to the Department of Environment and Conservation to be available for projects which are reviewed and evaluated under procedures established by the authority of Tennessee Code Annotated, Section 11-14-308.

Item 8. There is hereby appropriated to the Department of Mental Health and Mental Retardation the proceeds from the sale of any real property and facilities being used by the department. The appropriation shall be available to fund the department's master plan for facilities subject to approval by the State Building Commission.

This appropriation is made notwithstanding the provisions of Section 20 of this act and the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2 to the contrary.

Item 9. There is hereby appropriated to the Department of Military the proceeds from the sale of any real property and facilities being used by the department. The appropriation shall be available to fund replacement facilities for the department subject to approval by the State Building Commission.

This appropriation is made notwithstanding the provisions of Section 20 of this act and the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2 to the contrary.

Item 10. Other provisions of the law to the contrary notwithstanding, any proceeds from the sale of surplus land and real property in Davidson County are hereby reappropriated to the Department of Finance and Administration to provide for the state's office space and support facilities requirements in Davidson County.

This appropriation is made notwithstanding the provisions of Section 20 of this act and the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2 to the contrary. Any reappropriation made pursuant to the provisions of this item is subject to the approval of the State Building Commission.

Item 11. From the appropriation made in Section 1, Title III-7 to the Department of Correction, Sentencing Act of 1985, there is hereby reappropriated to the department for capital outlay purposes the sum of \$12,340,000. There is further reappropriated the balance of the appropriation for Sentencing Act of 1985 to the State Funding Board for debt service requirements on authorized and unissued construction bonds for the department and the board is directed to cancel bonds in said amount.

Other appropriations made under this act to the Department of Correction, Sentencing Act of 1985, are hereby reappropriated to the department for major maintenance and capital outlay purposes.

The unexpended balance at June 30, 1997, of appropriations made to the Department of Correction, Sentencing Act of 1985, are hereby reappropriated to the department for major maintenance and capital outlay purposes. The appropriation and transfer of funds authorized in this item are made under the provisions of Tennessee Code Annotated, Section 9-6-119.

SECTION 3.

Item 1. Appropriations made under Section 1, Titles III-11 and III-16 for the operation of the state regulatory boards, shall be subject to allotment by the Commissioner of Finance and Administration, and no expenditure shall be made by any said boards out of fees collected by them unless and until such allotments have been made by the Commissioner of Finance and Administration. Such allotments for the operation of said respective boards as are made by the Commissioner of Finance and Administration shall be disbursed under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1.

The allotment hereinabove provided shall be subject to the condition that no money shall be paid therefrom for the salary of any employee of said boards unless and until such salary has been approved by the Commissioner of Personnel. The appointment of all employees of said boards shall likewise be approved by the Commissioner of Personnel.

Notwithstanding any provision of law to the contrary, no member of any board or commission established by law or pursuant to law, which receives an appropriation under this act, regardless of the source of funding, shall receive any compensation, whether denominated per diem or by whatever name called, except for days in which such member actually works four (4) or more hours performing duties directly relating to that board's or commission's activities, or for time or days spent attending meetings of that board or commission. The chairman or head of each board or commission, the department head to which such board or commission is attached administratively, and the Commissioner of Finance and Administration, shall prescribe procedures to contain, as a minimum, a certification of time worked by each member claiming compensation.

Item 2. Except as otherwise provided in this section, the appropriations to the Wildlife Resources Agency under Section 1, Title III-6 shall be paid out of the special fund established under Tennessee Code Annotated, Title 70, Chapter 1, Part 4 and Section 69-10-203. Such appropriations shall be expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1, and shall be used only for the expenses of the Wildlife Resources Agency pursuant to Tennessee Code Annotated, Title 70 and Title 69, Chapter 10, Part 2, and no part of the unexpended fund left at the end of the

fiscal year shall be used for any other purpose but shall be carried over in said fund and may be expended during the next year, and all of said fees and revenues provided by Tennessee Code Annotated, Title 70 and Title 69, Chapter 10, Part 2, are herein specifically apportioned and appropriated to the use and for the benefit of the Wildlife Resources Agency to be expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1. Nothing in this item shall be construed as relieving the Wildlife Resources Agency of the duty of policing littering of lakes and streams.

Item 3. The appropriation to the State Board of Law Examiners in Section 1, Title II, Item 13, shall be from funds generated by fees collected by the board under the provisions of Tennessee Code Annotated, Title 23, Chapter 1.

In case the appropriation to the board shall prove inadequate to allow the board to function efficiently, the Commissioner of Finance and Administration may make an additional allotment thereto from the general fund, the total of all allotments to the board not to exceed the revenues paid into the treasury by the board.

Item 4. The appropriation to the Department of Financial Institutions in Section 1, Title III-12, shall be derived from banking fees assessed pursuant to Tennessee Code Annotated, Title 45, Chapter 1, Part 1. No part of the unexpended fees left at the end of the fiscal year shall revert to the general fund.

DEPARTMENTAL REVENUES

SECTION 4. All departmental revenue of every kind, as hereinafter defined, collected by any department, institution, office, or agency, in the course of its operations, for its own use, are hereby appropriated to it in addition to the specific appropriations made by this act. Federal aid funds granted to the state for the use of or to be administered by any department, institution, or agency, are likewise appropriated. For the purpose of this section "departmental revenues" are defined as (1) earnings or charges for goods or services; (2) donations, contributions or participation by political subdivisions, foundations, corporations, firms or persons. State revenues, in contradistinction to departmental revenues, are the proceeds of taxes, licenses, fees, fines, forfeiture or other imposts laid specifically by law.

Notwithstanding any provision of the previous paragraph, the Department of Health shall deposit all funds generated by fees or taxes collected by such entity in the general fund of the state. Any appropriations for the operation of such entity shall be subject to allotment by the Commissioner of Finance and Administration, and no expenditure shall be made by any such entity out of fees or taxes collected by it, unless and until such allotments have been made by the Commissioner of Finance and Administration. Such allotments for the operation of such entity as are made by the Commissioner of Finance and Administration shall be disbursed under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1.

The departmental revenues and federal aid funds appropriated under this act shall include the amounts hereinafter set out:

I. LEGISLATIVE		<u>1997-98</u>
1. General Assembly - Legislative		
Expense.....	\$	22,000.00
2. Legislative Service - Sales and		
Distribution		182,200.00

3.	House of Representatives	10,000.00
4.	State Senate	24,500.00

Total Title I.....	\$	238,700.00
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II. JUDICIAL

1.	Appellate and Trial Courts.....	\$	22,300.00
2.	Supreme Court Buildings		525,000.00
3.	Child Support Referees		557,700.00
4.	Indigent Defendants' Counsel.....		5,000.00
5.	Tennessee State Law Libraries.....		20,000.00
6.	Appellate Court Clerk.....		1,328,500.00
7.	Judicial Conference		5,000.00

Total Title II.....	\$	2,463,500.00
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III. EXECUTIVE

1. Constitutional and Quasi-Judicial Offices

1.	Attorney General and Reporter		
1.1	Attorney General	\$	7,956,100.00
1.2	Publications of Tennessee Reports		15,000.00
1.3	Special Litigation.....		65,000.00
	Total Attorney General and Reporter	\$	8,036,100.00

2.	District Attorneys General		
2.1	District Attorneys General	\$	428,100.00
2.2	District Attorneys General Conference		10,000.00
2.3	Executive Director		135,000.00
2.4	IV-D Child Support.....		8,599,600.00
	Total District Attorneys General	\$	9,172,700.00

3.	Department of State		
3.1	Secretary of State	\$	2,014,400.00
3.2	Library and Archives.....		1,188,800.00
3.3	Regional Libraries		987,500.00
3.4	Library Construction		400,000.00
3.5	Registry of Election Finance		24,000.00
	Total Department of State.....	\$	4,614,700.00

4.	Public Defenders		
4.1	District Public Defenders.....	\$	150,000.00
	Total Public Defenders.....	\$	150,000.00

5.	Comptroller of the Treasury		
5.1	Management Services.....	\$	88,100.00
5.2	Capitol Print Shop		1,224,400.00
5.3	State Audit.....		3,645,700.00
5.4	County Audit		720,400.00
5.5	Municipal Audit.....		112,200.00
5.6	Bond Finance		219,000.00

5.7	Property Assessments.....		1,603,700.00
5.8	State Board of Equalization.....		12,500.00
5.9	Administration		20,000.00
	Total Comptroller of the Treasury	\$	7,646,000.00
6.	Department of Treasury		
6.1	Treasurer's Office	\$	10,718,400.00
	Total Department of Treasury	\$	10,718,400.00
7.	Claims and Compensation		
7.1	Criminal Injuries Compensation	\$	1,672,400.00
7.2	Claims Award Reserve Fund.....		32,318,100.00
7.3	Unclaimed Property.....		5,780,000.00
7.4	Risk Management		858,100.00
	Total Claims and Compensation.....	\$	40,628,600.00
	Total Title III-1	\$	80,966,500.00
2.	Executive Offices		
1.	Commissions		
1.1	Commission on Children and Youth	\$	3,749,200.00
1.2	Commission on Aging		19,772,000.00
1.3	Alcoholic Beverage Commission		1,217,500.00
1.4	Human Rights Commission		574,500.00
1.5	Advisory Commission on Intergovernmental Relations.....		660,400.00
1.6	Council of Juvenile and Family Court Judges		72,100.00
1.7	Tennessee Housing Development Agency.....		53,472,600.00
1.8	Tennessee Arts Commission		502,600.00
1.9	Tennessee Regulatory Authority		215,000.00
1.10	Health Facilities Commission		12,400.00
2.	Department of Finance and Administration		
2.1	Administration	\$	4,755,600.00
2.2	Office for Information Resources		99,592,600.00
2.3	Insurance Administration		3,247,400.00
2.4	Accounts		4,197,800.00
2.5	Criminal Justice Programs		13,512,200.00
2.6	Resource Development and Support		1,989,800.00
2.7	Capital Projects Management		137,100.00
2.8	Real Property Management		2,517,800.00
2.9	National and Community Services		2,896,100.00
	Total Department of Finance and Administration.....	\$	132,846,400.00
3.	Department of Personnel		
3.1	Administration	\$	607,300.00
3.2	Human Resource Development		708,700.00
3.3	Technical Services		1,621,900.00
	Total Department of Personnel	\$	2,937,900.00
4.	Department of General Services		

4.1	Administration	\$	3,225,600.00
4.2	Postal Services		13,773,900.00
4.3	Property Utilization.....		1,862,400.00
4.4	Motor Vehicle Management.....		28,474,100.00
4.5	Property Services Management.....		7,214,800.00
4.6	Printing		5,626,400.00
4.7	Purchasing		4,463,600.00
4.8	Systems Management.....		1,534,300.00
4.9	Central Stores		3,633,900.00
4.10	Records Management		1,138,300.00
4.11	Comprehensive Food Services Program		6,707,700.00
	Total Department of General Services	\$	77,655,000.00
5.	Veterans Affairs	\$	293,400.00
	Total Title III-2.....	\$	293,981,000.00
3.	Department of Agriculture		
1.	Administration	\$	64,300.00
2.	Animal Industries		371,600.00
3.	Plant Industries		2,577,400.00
4.	Quality and Standards		633,700.00
5.	Marketing.....		213,900.00
6.	Commodity Distribution		2,880,100.00
7.	Agricultural Resources.....		2,017,600.00
8.	Technical Services		256,900.00
9.	Forestry		3,526,900.00
	Total Title III-3.....	\$	12,542,400.00
4.	Department of Tourist Development		
1.	Administration and Marketing.....	\$	60,000.00
2.	Welcome Centers		2,437,200.00
	Total Title III-4.....	\$	2,497,200.00
5.	Department of Environment and Conservation		
1.	Administrative Services.....	\$	3,805,800.00
2.	Conservation Administration		307,900.00
3.	Historical Commission		508,100.00
4.	Land and Water Conservation Fund		750,000.00
5.	Archaeology.....		206,900.00
6.	Geology		157,400.00
7.	Tennessee State Parks		23,681,900.00
8.	Natural Heritage.....		200,400.00
9.	Tennessee State Parks Maintenance		1,532,000.00
10.	West Tennessee River Basin Authority		182,900.00
11.	Drinking Water State Revolving Fund.....		12,500,000.00
12.	Environmental Assistance		666,900.00
13.	Environment Administration		247,500.00
14.	Air Pollution Control		7,843,900.00

15.	Radiological Health	3,998,400.00
16.	Construction Grants and Loans	29,020,100.00
17.	Water Pollution Control	6,298,800.00
18.	Solid Waste Management	6,048,900.00
19.	DOE Oversight	5,041,800.00
20.	Hazardous Waste Remedial Action Fund	9,421,100.00
21.	Water Supply.....	3,688,100.00
22.	Groundwater Protection	4,813,400.00
23.	Underground Storage Tanks.....	2,415,700.00
24.	Solid Waste Assistance Fund	25,300.00

Total Title III-5 \$
 123,363,200.00

6. Wildlife Resources Agency

1.	Wildlife.....	\$	11,893,600.00
2.	Boating Safety		1,384,400.00

Total Title III-6 \$ 13,278,000.00

7. Department of Correction

1.	Administration	\$	4,501,000.00
2.	Field Services		219,000.00
3.	Knoxville Community Service Center		112,400.00
4.	Tennessee Correction Academy.....		23,700.00
5.	Nashville Community Service Center		330,600.00
6.	Wayne County Boot Camp		223,400.00
7.	Chattanooga Community Service Center		119,300.00
8.	Brushy Mountain State Penitentiary.....		318,500.00
9.	Cold Creek Correctional Facility.....		381,500.00
10.	Tennessee Prison for Women.....		512,000.00
11.	Turney Center Industrial Prison and Farm		668,300.00
12.	Mark Luttrell Reception Center		216,300.00
13.	Middle Tennessee Reception Center		364,800.00
14.	Southeastern Tennessee State Regional Correctional Facility		832,800.00
15.	Morgan County Regional Correctional Facility		644,100.00
16.	Tennessee Correctional Work Center		186,800.00
17.	TriCor		19,819,000.00
18.	Carter County Work Camp		186,800.00
19.	Lake County Regional Correctional Facility		845,100.00
20.	West Tennessee High Security Facility		401,600.00
21.	Riverbend Maximum Security Facility		360,800.00
22.	Northeast Correctional Center		865,900.00
23.	South Central Correctional Center		13,900.00
24.	Northwest Correctional Center		1,353,900.00
25.	DeBerry Special Needs Facility.....		526,600.00

Total Title III-7 \$ 34,028,100.00

8. Department of Economic and

Community Development

1.	Administration and Support Services	\$	177,900.00
2.	Division of Industrial Development		90,000.00
3.	Regional Grants Management.....		31,800,800.00
4.	Division of Business Development		1,907,100.00
5.	Division of Community Development		1,231,600.00
6.	Division of Energy		6,168,500.00
7.	Small Business Energy Loan Program		2,500,000.00
8.	Local Government Energy Loan Program		3,000,000.00
	Total Title III-8.....	\$	46,875,900.00

9. Department of Education

1. Administration	\$	973,100.00
2. Grants-In-Aid.....		15,000.00
3. Title I, II, and VI		145,180,400.00
4. Technology, Infrastructure, and Support Systems.....		13,800.00
5. Training and Professional Development		832,000.00
6. Curriculum and Instruction		436,300.00
7. Improving School Programs		19,252,100.00
8. Career Ladder		4,100.00
9. Accountability.....		6,100.00
10. Goals 2000		6,484,900.00
11. Child Nutrition.....		120,783,900.00
12. Special Education Services.....		75,793,400.00
13. Vocational Education.....		24,535,900.00
14. Adult and Community Education.....		15,360,600.00
15. Alvin C. York Agricultural Institute.....		616,100.00
16. Tennessee School for the Blind.....		453,800.00
17. Tennessee School for the Deaf.....		359,000.00
18. West Tennessee School for the Deaf		65,300.00
19. Tennessee Early Childhood Services		42,000.00
Total Title III-9.....	\$	411,207,800.00

10. Higher Education

1. Tennessee Higher Education Commission	\$	486,400.00
2. Tennessee Student Assistance Awards		809,000.00
3. Guaranteed Student Loan Programs		65,100,000.00
4. Tennessee Student Assistance Corporation.....		9,657,000.00
5. Academic Scholars Program		354,500.00
6. Loan/Scholarship Programs		543,000.00
7. THEC Grants		681,900.00
Total Title III-10.....	\$	77,631,800.00

11. Department of Employment Security	\$	59,050,400.00
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Total Title III-11.....	\$	59,050,400.00
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12. Department of Commerce and Insurance

1. Administration	\$	1,829,200.00
2. Insurance.....		3,553,200.00
3. Fire Prevention		8,056,900.00
4. Securities		1,180,800.00
5. Regulatory Boards		130,000.00
6. Claims Commission		876,800.00
7. TennCare Oversight.....	\$	942,000.00
Total Title III-12.....	\$	16,568,900.00

13. Department of Financial Institutions	\$	2,065,100.00
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Total Title III-13.....	\$	2,065,100.00
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14. Department of Labor		
1.	Administration	\$ 585,700.00
2.	Tennessee Occupational Safety and Health Administration (TOSHA)	2,372,600.00
3.	Workers' Compensation	32,000.00
4.	Mines	120,000.00
5.	Boilers and Elevators.....	1,748,100.00
6.	Labor Standards.....	135,200.00
7.	Employment and Training	65,494,600.00
8.	Second Injury Fund.....	200,000.00
Total Title III-14.....		\$ 70,688,200.00
15. Department of Mental Health and Mental Retardation		
1.	Administration	
1.1	Administrative Services Division.....	\$ 4,671,500.00
	Total Administrative Services Division	\$ 4,671,500.00
2.	Mental Health Services	
2.1	Mental Health Services Administration.....	\$ 2,052,800.00
2.2	Community Mental Health Services	12,074,600.00
2.3	Lakeshore Mental Health Institute	22,982,000.00
2.4	Middle Tennessee Mental Health Institute	28,973,000.00
2.5	Western Mental Health Institute	21,949,600.00
2.6	Moccasin Bend Mental Health Institute.....	15,296,200.00
2.7	Memphis Mental Health Institute	12,371,800.00
	Total Mental Health Services.....	\$ 115,700,000.00
3.	Mental Retardation Services	
3.1	Mental Retardation Administration.....	\$ 20,000.00
3.2	Mental Retardation Community Services	124,193,700.00
3.3	Developmental Disabilities Council.....	2,125,400.00
3.4	Arlington Developmental Center	52,636,900.00
3.5	Clover Bottom Developmental Center.....	44,625,200.00
3.6	Greene Valley Developmental Center.....	52,061,200.00
3.7	Nat T. Winston Developmental Center	6,107,500.00
3.8	Regional Offices of Community Services	256,200.00
	Total Mental Retardation Services.....	\$ 282,026,100.00
Total Title III-15.....		\$ 402,397,600.00
16. Department of Military		
1.	Administration.....	\$ 540,500.00
2.	Army National Guard	3,318,900.00
3.	Air National Guard.....	8,646,300.00
4.	Tennessee Emergency Management Agency	3,964,100.00
5.	Armories Maintenance.....	2,319,700.00
6.	TEMA Disaster Relief Grants.....	5,000,000.00
7.	Armories Utilities.....	1,048,000.00
Total Title III-16		\$ 24,837,500.00

17. Department of Health

1. Administration

1.1	Administration	\$	535,200.00
1.2	Administrative Services.....		1,086,500.00
1.3	Information Resources		1,843,900.00
	Total Administration.....	\$	3,465,600.00

2.	Manpower Resources and Facilities		
2.1	Health Care Facilities	\$	5,171,100.00
2.2	Emergency Medical Services		743,500.00
2.3	Laboratory Services		4,824,400.00
	Total Manpower Resources and Facilities.....	\$	10,739,000.00
3.	Community Health Services		
3.1	Division of General Environmental Health.....	\$	60,000.00
3.2	Health Services Administration		848,300.00
3.3	Maternal and Child Health		11,018,100.00
3.4	Division of Special Services.....		10,004,700.00
3.5	Communicable Disease Control		16,410,800.00
3.6	Population Based Services		7,012,800.00
3.7	Women, Infants and Children (WIC)		86,560,200.00
3.8	HSA Medical Programs		288,000.00
	Total Community Health Services	\$	132,202,900.00
4.	Local Health		
4.1	Local Health Services	\$	63,109,000.00
	Total Local Health.....	\$	63,109,000.00
5.	Alcohol and Drug Abuse Services		
5.1	Alcohol and Drug Abuse Services.....	\$	24,304,400.00
	Total Alcohol and Drug Abuse Services	\$	24,304,400.00
	Total Title III-17.....	\$	233,820,900.00
18.	Department of Human Services		
1.	Administration		
1.1	Division of Administration.....	\$	36,132,300.00
1.2	Field Operations		10,077,000.00
1.3	County Rentals		13,647,000.00
	Total Administration.....	\$	59,856,300.00
2.	Family Assistance Services		
2.1	Child Support.....	\$	41,691,400.00
2.2	Temporary Cash Assistance		142,658,400.00
2.3	Family Assistance Services		73,524,800.00
2.4	Disaster Relief.....		1,500,000.00
2.5	Food Stamp Coupons		544,762,100.00
	Total Family Assistance Services.....	\$	804,136,700.00
3.	Social Services		
3.1	Community Services	\$	178,654,500.00
	Total Social Services.....	\$	178,654,500.00
4.	Rehabilitative Services		
4.1	Vocational Rehabilitation.....	\$	60,623,300.00
4.2	Disability Determination		32,377,200.00
	Total Rehabilitative Services.....	\$	93,000,500.00
	Total Title III-18.....	\$	1,135,648,000.00
19.	Department of Revenue		

1.	Administration	\$	1,433,500.00
2.	Tax Enforcement		2,277,500.00
3.	Management Information Systems.....		2,280,100.00
4.	Taxpayer Services.....		1,160,200.00
5.	Field Audit.....		4,270,300.00
6.	Office Audit and Examination		2,071,200.00
7.	Processing Division.....		1,473,500.00
	Total Title III-19.....	\$	14,966,300.00
20.	Tennessee Bureau of Investigation	\$	6,681,800.00
	Total Title III-20.....	\$	6,681,800.00
21.	Department of Safety		
1.	Administration	\$	260,000.00
2.	Driver License Issuance		12,355,900.00
3.	Highway Patrol.....		4,492,500.00
4.	Auto Theft Investigations		350,000.00
5.	Motor Vehicle Operations.....		265,100.00
6.	Tennessee Law Enforcement Training Academy		516,200.00
7.	Titling and Registration		6,732,100.00
8.	Technical Services		7,892,000.00
	Total Title III-21.....	\$	32,863,800.00
22.	Children's Services		
1.	Administration	\$	12,871,600.00
2.	Family Support Services.....		14,410,700.00
3.	Custody Services		102,375,000.00
4.	Adoption Services		5,091,500.00
5.	Child and Family Management.....		59,499,200.00
6.	John S. Wilder Youth Development Center		289,500.00
7.	Taft Youth Development Center.....		440,400.00
8.	Woodland Hills Youth Development Center		303,800.00
9.	Mountain View Youth Development Center.....		263,800.00
10.	Community Treatment Facilities.....		3,374,200.00
11.	Tennessee Preparatory School.....		2,742,300.00
	Total Title III-22.....	\$	201,662,000.00
23.	TennCare		
1.	TennCare Administration	\$	65,522,000.00
2.	TennCare Services		1,520,435,500.00
3.	Long-Term Care Services.....		552,068,200.00
4.	Waiver and Crossover Services.....		215,254,500.00

Total Title III-23.....	\$	2,353,280,200.00
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24. Department of Transportation

1. Highway Maintenance.....	\$	100,000.00
2. Highway Betterments.....		100,000.00
3. State Aid		12,100,000.00
4. State Industrial Access.....		200,000.00
5. Local Interstate Connectors.....		1,500,000.00
6. Mass Transit.....		10,839,000.00
7. Planning and Research.....		6,500,000.00
8. Interstate Construction.....		69,600,000.00
9. Forest Highways.....		600,000.00
10. State Highway Construction		262,850,000.00
11. Bridge Replacement.....		52,500,000.00
12. Air, Water and Rail Transportation		6,200,000.00

Total Title III-24	\$	423,089,000.00
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25. Facilities Revolving Fund

1. Operational Maintenance.....	\$	31,741,000.00
2. General Services Project Maintenance.....	850,000.00	
3. Facilities Management.....		19,971,000.00
4. Capital Projects.....		5,406,000.00
5. Debt Service.....		18,632,000.00

Total Title III-25	\$	76,600,000.00
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REFUND OF RECEIPTS

SECTION 5.

Item 1. There is hereby appropriated the necessary and sufficient sums to refund any collection or part thereof made erroneously or illegally for the use or benefit of the state or any of its departments, institutions, offices or agencies. Such refunds shall be made in accordance with existing law as applicable in any particular case. In case revenues are not adequate to meet in full all appropriations made, the appropriations made for Sinking Fund Debt Service and the amounts necessary to cover the salary and wage obligations of the State shall have preferential payment.

Item 2. With respect to any revenues or receipts collected by any department or agency with the exception of those collected by the Department of Revenue, notwithstanding any provisions of the law to the contrary, such amounts as are determined to have been erroneously paid may be refunded by such procedure as may be approved by the Commissioner of Finance and Administration and the Comptroller of the Treasury.

SECTION 6. In addition to the appropriations made to the State Funding Board in Section 1, Title III-27 of this act, there is appropriated the following items:

Item 1. There is hereby appropriated a sum sufficient from the internal service funds available to the Department of Finance and Administration, Office of Information Resources, to provide the debt service on general obligation bond and note issues authorized in the following amounts:

(1) Chapter 425, Public Acts of 1985	\$	15,000,000.00
(2) Chapter 875, Public Acts of 1986	\$	505,000.00
(3) Chapter 525, Public Acts of 1989	\$	10,356,000.00
(4) Chapter 493, Public Acts of 1991	\$	9,938,000.00
(5) Chapter 930, Public Acts of 1992	\$	8,742,000.00
(6) Chapter 850, Public Acts of 1994	\$	13,800,000.00
(7) Chapter 952, Public Acts of 1996	\$	20,000,000.00

Item 2. There is hereby appropriated a sum sufficient from the internal service funds available to the state's Equipment Revolving Fund to provide the debt service on general obligation bond and note issues authorized in the following amounts:

(1) Chapter 945, Public Acts of 1988	\$	201,000.00
(2) Chapter 947, Public Acts of 1990	\$	5,085,000.00
(3) Chapter 1010, Public Acts of 1994	\$	16,500,000.00

Item 3. From the funds appropriated in Section 1, Title III-27, Item 5, Amortization of Authorized and Unissued Highway Bonds, the sum of \$75,000,000.00 is appropriated in lieu of issuing highway bonds authorized under the provisions of Chapter 930, Public Acts of 1992, and the sum of \$4,800,000.00 is appropriated in lieu of issuing highway bonds authorized under the provisions of Chapter 533, Public Acts of 1993. The State Funding Board shall take the necessary action to cancel the unissued bonds.

Item 4. From the revenues and reserves available to the Tennessee Wildlife Resources Agency, the sum of \$625,000.00 is appropriated in lieu of issuing bonds authorized for the Tennessee Wildlife Resources Agency under the authority of Chapter 947, Public Acts of 1990. The State Funding Board shall take the necessary action to cancel the unissued bonds.

Item 5. For the purpose of defraying the costs of issuance of debt and the administration of authorized programs of the Tennessee Local Development Authority, there is hereby appropriated to the Tennessee Local Development Authority an amount not to exceed \$25,000.00 from the State Loan Program Fund. Such amounts shall be determined as necessary by the State Funding Board and the Tennessee Local Development Authority.

Item 6. From the appropriation made in Section 1, Title III-27 of this act to the State Funding Board, the sum of \$2,150,000.00 is earmarked to pay interest on general obligation notes issued under the authority of Chapter 850, Public Acts of 1994; Chapter 945, Public Acts of 1996; and Chapter 990, Public Acts of 1996 for state parks. Any unexpended balance of the earmarked funds is hereby reappropriated to the Department of Environment and Conservation for state parks capital outlay purposes as provided by Chapter 1029, Public Acts of 1992 and said balance shall be transferred to the capital projects fund.

In addition to the appropriation made in Section 1, Title III-27 there is hereby appropriated a sum sufficient to pay for debt service attributable to any obligations issued pursuant to Chapter 850, Public Acts of 1994; Chapter 945, Public Acts of 1996; and Chapter 990, Public Acts of 1996. Said appropriation

shall be derived from excess revenues generated by Chapter 1029, Public Acts of 1992 and from revenues, fees or other funds resulting from the development and operations of facilities funded under the provisions of Chapter 850, Public Acts of 1994; Chapter 945, Public Acts of 1996; and Chapter 990, Public Acts of 1996 and any other amounts which may be appropriated therefore. Pursuant to procedures as may be determined by the Commissioner of Finance and Administration, such debt service payments shall be transferred to the debt service fund.

Subject to the approval of the Commissioner of Finance and Administration, there is hereby authorized to be expended from available funds of the state such amounts as may be necessary to pay debt service on any obligations issued pursuant to Chapter 850, Public Acts of 1994; Chapter 945, Public Acts of 1996; and Chapter 990, Public Acts of 1996 prior to commencement of operations of any such facilities; provided, however, any state funds utilized for this purpose, shall, together with interest thereon, be repaid from such facilities revenues pursuant to terms and conditions as may be prescribed by the State Funding Board.

Item 7. From the appropriation made in Section 1, Title III-27 of this act to the State Funding Board, the sum of \$800,000 is earmarked to pay interest on general obligation notes issued under the authority of Chapter 528, Public Acts of 1993 for state golf courses.

In addition to the appropriation made in Section 1, Title III-27 there is hereby appropriated a sum sufficient from revenues, fees or other funds derived from the development and operations of new state golf courses on state property to pay for the operations of such golf courses and debt service attributable to any obligations issued therefor pursuant to Chapter 528, Public Acts of 1993. Pursuant to procedures as may be determined by the Commissioner of Finance and Administration, such debt service payments shall be transferred to the debt service fund.

Subject to the approval of the Commissioner of Finance and Administration, there is hereby authorized to be expended from available funds of the state such amounts as may be necessary to pay debt service on any obligations issued pursuant to Chapter 528, Public Acts of 1993 prior to commencement of operations of any such golf course; provided, however, any state funds utilized for this purpose shall, together with interest thereon, be repaid from such golf course's revenues pursuant to terms and conditions as may be prescribed by the State Funding Board.

It is hereby declared to be the legislative intent that in determining the feasibility of any new golf course as contemplated by Chapter 528, Public Acts of 1993, the Department of Environment and Conservation and the State Building Commission shall take into consideration the repayment of any debt service payments made from state funds pursuant to the authority of this section.

Item 8. From the appropriation made in Section 1, Title III-27 of this act to the State Funding Board, the sum of \$3,300,000.00 is earmarked to pay interest on general obligation bonds and/or notes issued under the authority of Chapter 582, Public Acts of 1996 for the purpose of making a grant to the Metropolitan Government of Nashville and Davidson County for the construction of a sports stadium. Said appropriation shall be funded from the sales tax revenues allocated under the provisions of Tennessee Code Annotated, Section

67-6-103(d)(1) and any revenues in excess of debt service requirements shall be reserved at June 30 and not revert to the fund balance.

In addition to the appropriation made in Section 1, Title III-27 there is hereby appropriated a sum sufficient to pay the debt service requirements on the general obligation bonds authorized by Chapter 582, Public Acts of 1996. Said appropriation shall come from revenues and reserves available to the debt service fund.

SECTION 7. The appropriations made by this act under Sections 1 and 4 shall be subject to the following provisions, limitations, or restrictions. From the funds appropriated to the:

Item 1. It is the legislative intent that annual dues assessed by the Council of State Governments (CSG) and the National Conference of State Legislatures (NCSL) be paid quarterly and timely from the funds appropriated in Section 1, Title III-2, Item 1.2 (Intergovernmental Conferences and Special Operations). CSG dues for 1997-98 shall be remitted in four (4) equal payments \$25,518.25 (\$102,073 annualized), and NCSL dues shall be remitted in four (4) equal payments \$29,015.25 (\$116,061 annualized).

Item 2. District Attorneys General in Section 1, Title III-1, Item 2.1, an amount of \$1,150,000.00 is for the victim-witness coordinator program authorized by Tennessee Code Annotated, Section 8-7-206. The appropriations in this item are from the apportionment of the privilege tax to the Victims of Crime Assistance Fund, as provided in Tennessee Code Annotated, Section 67-4-606. The Commissioner of Finance and Administration is authorized to adjust these appropriations to reflect the funds available and to carry forward any unexpended balance in the Victims of Crime Assistance Fund pursuant to Tennessee Code Annotated, Section 9-4-205.

Item 3. From the appropriation in Section 1, Title III-1, Item 2.1, District Attorneys General, there shall be paid the expenses of the District Attorney General's office in Shelby County, Davidson County, Hamilton County and Knox County, as now provided by law, such combined expense not to exceed six thousand four hundred fifty dollars (\$6,450.00) in any fiscal year.

Item 4. From the appropriation made for the State Election Commission under Section 1, Title III-1, Item 3.2, there is hereby appropriated funds for expenses of the State Election Commission, including the printing of election laws, the office of the Coordinator of Elections, and other expenses of administering election laws. The salary of each member of the State Election Commission shall be seven thousand two hundred dollars (\$7,200.00) annually, except that the Chairman shall be paid an additional one thousand eight hundred dollars (\$1,800.00) annually for additional duties required of him and the Secretary shall be paid an additional one thousand two hundred dollars (\$1,200.00) annually for additional duties required of him. The Secretary of State is hereby authorized to make all necessary purchases of election supplies from funds appropriated for such purpose in accordance with state purchasing procedures.

Item 5. From the funds appropriated to the Office of the Comptroller of the Treasury and the Department of Finance and Administration, there is hereby authorized to be allocated an amount not to exceed \$45,000.00 for the purpose of meeting the State of Tennessee's participation in the cost of supporting the National Council on Governmental Accounting or a governmental accounting

standards board in the establishment of governmental accounting standards and principles.

Item 6. Maintenance of the Governor's Mansion in the amount of forty-eight thousand dollars (\$48,000.00) per year, and travel expenses as certified by the Governor, shall be paid monthly by the Commissioner of Finance and Administration from the appropriations made under Section 1, Title III-2, Item 1.1 for the Governor's Office, it being the legislative intent that the mansion should be maintained and operated as the official residence and office of the Chief Executive of Tennessee in a manner required of the Office of Governor.

Item 7. Tennessee Arts Commission in Section 1, Title III-2, Item 2.10, the sum of \$80,000.00 is hereby appropriated for the purpose of making a grant to Fisk University for the necessary staff, services and other costs associated with maintaining and showing the Stieglitz Collection at Fisk University. It is the legislative intent that this appropriation is a direct appropriation grant and that it be processed accordingly by the Commissioner of Finance and Administration.

Item 8. Tennessee Arts Commission in Section 1, Title III-2, Item 2.10, the sum of \$100,000.00 which is granted to the Knoxville Arts Council for ticket subsidies for students in east Tennessee shall provide for a sub-grant in the amount of \$27,606 to the Allied Arts of Greater Chattanooga. It is the legislative intent that the grant be shared on a per student basis.

Item 9. Department of Correction in Section 1, Title III-7, the department is authorized to make a grant of up to \$50,000.00 each to "Project Return" and to Dismas House.

Item 10. Department of Employment Security in Section 4, Title III-11, the sum of \$2,500,000.00 is specifically appropriated from the unemployment compensation special administrative fund under the provisions of Tennessee Code Annotated, Section 50-7-503.

Item 11. Commission on Fire Fighting Personnel Standards and Education in Section 1, Title III-11, Item 5, funds are earmarked for payment to eligible units of local government to pay bonus supplements to firemen who successfully complete during calendar year 1997 an in-service training program appropriate to such fireman's rank and responsibility and the size and location of his department of at least forty (40) hours' duration at a school established or certified by such commission. The funds appropriated by this item shall be disbursed in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 24 and Section 56-4-205(c) and no supplement to any person shall exceed four hundred fifty dollars (\$450.00).

Item 12. Department of Health in Section 1, Title III-16, the amount of one hundred twenty-five thousand dollars (\$125,000.00) is to be paid to St. Jude Hospital in Memphis to defray, in whole or in part, the expenses of patients and their families who are citizens and residents of Tennessee in traveling to and from St. Jude Hospital. Such payments shall be administered by the hospital and shall be made on the basis of need. Such patients, or their families, requesting assistance from these funds shall supply such documents supporting need and travel expenses as the hospital may require.

Item 13. Department of Children's Services in Section 1, Title III-22, the sum of \$400,000.00 is hereby appropriated to fund child abuse prevention

services. It is the legislative intent to fund the program established under the provisions of Chapter 930, Public Acts of 1984.

Item 14. Department of Human Services in Section 1, Title III-17, there is hereby earmarked the sum of \$800,000.00 from the proceeds of the \$15.00 privilege tax on marriage licenses for purposes of funding family violence shelters and shelter services. This appropriation is made under the provisions of Tennessee Code Annotated, Section 67-4-411.

Item 15. POST Commission in Section 1, Title III-20, funds are earmarked for payment to eligible units of local government which have required all police officers to complete during calendar year 1997 an in-service training course appropriate to each officer's rank and responsibility commensurate with the size and location of his department of at least forty (40) hours' duration at a school certified or recognized by the Peace Officer Standards and Training Commission. The funds appropriated by this item shall be disbursed in accordance with the provisions of Tennessee Code Annotated, Title 38, Chapter 8, Part 1, and no recipient shall be eligible to receive a supplement of more than six hundred dollars (\$600.00) pursuant to such appropriation.

Item 16. From the appropriation in Section 1, Title III-24, for the Emergency and Contingency Fund, there is hereby appropriated an amount not to exceed three hundred nineteen thousand three hundred dollars (\$319,300.00) for the following purposes: (1) forest fire control in the Division of Forestry, (2) payment of indemnities for destruction of livestock and extraordinary veterinary payrolls for cattle market fluctuations by the Department of Agriculture, (3) payment of extraordinary expenditures for insect and pest control efforts by the Department of Agriculture, and (4) the cost of personnel and equipment needed to restore law and order in instances arising out of civil disorders.

SECTION 8. In addition to the appropriations made in Section 1 of this act and subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1, there is hereby appropriated a sum sufficient:

Item 1. To pay all lawful claims due from the state to any of the several counties thereof on account of unpaid court costs, unpaid allotments of taxes distributable by the state to the counties and such other sums as may be due from the state to the counties, but none of such funds shall be distributed to the counties of the state until after the validity of the claims has been investigated and approved by the State Comptroller and the Governor. Provided, however, that such funds shall not include funds due to counties and cities for the state share of costs to cities and counties as required by Section 24, Article II, of the Constitution of Tennessee.

Item 2. To the Tennessee Code Commission for the following purposes: (1) to purchase pocket supplements for the state-owned sets of Tennessee Code Annotated; (2) to purchase replacement volumes for state-owned sets of Tennessee Code Annotated; (3) to purchase replacement sets of Tennessee Code Annotated; (4) to purchase sets of Tennessee Code Annotated for judges of new courts created during the 1997 Session of the General Assembly; (5) to purchase pocket supplements for the state-owned sets of the Index to the Private Acts of Tennessee; and (6) to pay for proofreading and other expenses involved in preparing supplements and replacement volumes for Tennessee Code Annotated.

Item 3. To pay the salaries and travel expenses of all persons appointed to sit as Special Judges, Special District Attorneys General and/or Special Prosecutors under statutes relating to the state judicial system.

Item 4. To provide for indigent defendants counsel in capital cases.

Item 5. To pay fees of special counsel who may be employed by the Governor, on recommendation of the Attorney General, and to pay other expenses in special cases of litigation involving the state. In matters involving the Tennessee Regulatory Authority, Housing Development Authority, Wildlife Resources Agency, financial institutions, regulatory boards and other programs and agencies funded by earmarked or dedicated revenues, the sum sufficient appropriation shall be provided from said earmarked or dedicated revenues. In matters involving departments, agencies and/or programs funded in whole or in part with federal aid and/or departmental revenues and reserves, the sum sufficient appropriation may be provided in whole or in part from said revenues and reserves.

Item 6. To the Registry of Election Finance from the lobbyist registration fees collected by the agency.

Item 7. To provide for payment of administrative law judge services. The Commissioner of Finance and Administration is authorized to allocate the funds to the appropriate organizational units and to adjust departmental revenues accordingly.

Item 8. To the Health Facilities Commission a sum sufficient from revenues collected by the agency for the purpose of paying indirect costs allocated to the agency and to pay audit costs.

Item 9. To the Department of Finance and Administration to provide for payments to the State Office Buildings and Support Facilities Revolving Fund for spaces occupied by the Tennessee State Museum and for other areas within the Tennessee Performing Arts Center.

Item 10. To the Office of Information Resources from the general obligation bonds/notes authorized under Chapter 425, Public Acts of 1985; Chapter 875, Public Acts of 1986; Chapter 525, Public Acts of 1989; Chapter 493, Public Acts of 1991; Chapter 930, Public Acts of 1992; Chapter 850, Public Acts of 1994; and Chapter 952, Public Acts of 1996 for data processing services and telecommunications services.

Item 11. To the Department of Finance and Administration to reimburse the federal government for arbitrage on the state's general obligation debt.

Item 12. To the state's Equipment Revolving Fund from the general obligation bonds/notes authorized under Chapter 945, Public Acts of 1988; Chapter 947, Public Acts of 1990; and Chapter 1010, Public Acts of 1994 for the acquisition of equipment.

Item 13. To the Department of Veterans Affairs for operation of cemeteries to offset any undercollection of departmental revenues appropriated in Section 4, Title III-2 of this act. This appropriation shall be nonrecurring.

Item 14. To the Department of Agriculture from revenues available to the Agricultural Nonpoint Water Pollution Control Fund.

Item 15. To the Department of Environment and Conservation from revenues available to the Local Park Land Acquisition Fund and to the State Lands Acquisition Fund.

Item 16. To the Department of Environment and Conservation from the Petroleum Underground Storage Tank Fund.

Item 17. To the Department of Environment and Conservation, Environmental Protection Fund, from revenues and reserves available to the fund and departmental revenues shall be adjusted accordingly.

Item 18. To the Department of Environment and Conservation from the Solid Waste Management Fund.

Item 19. To the Department of Environment and Conservation for the state parks program from any revenues derived under Chapter 40, Public Acts of 1993.

Item 20. To the Department of Environment and Conservation from fees generated by the sale of environmental motor vehicle license plates under the provisions of Tennessee Code Annotated, Section 55-4-311.

Item 21. To the Wildlife Resources Agency from revenues available to the Wetlands Acquisition Fund and the Wetlands Compensation Fund.

Item 22. To the Wildlife Resources Agency from the general fund for any difference between the actual charges to the agency under the indirect cost allocation plan and the facilities revolving fund and the amounts the TWRA can justify.

Item 23. To the Wildlife Resources Agency from its own revenues to implement the programs, activities and projects approved by the Wildlife Resources Agency Commission. The Commissioner of Finance and Administration is authorized to adjust departmental revenue accordingly and to establish positions as may be required.

Item 24. To the Department of Economic and Community Development for administration of the Child Care Facilities Loan Guarantee Program. Said appropriation shall come from interest earnings allocated to the program under the provisions of Tennessee Code Annotated, Section 4-37-110.

Item 25. To the Department of Commerce and Insurance to purchase examinations for regulatory boards. This appropriation is contingent upon the fees collected for giving examinations being in excess of the budgeted estimates.

Item 26. To the Department of Commerce and Insurance for the Tennessee State Racing Commission to pay the costs associated with racing applications.

Item 27. To the Department of Military to provide for the cost of personnel and equipment needed to maintain law and order in instances arising out of civil disorders.

Item 28. To the Department of Military, Disaster Relief Grants, and to the Department of Human Services, Disaster Relief, for the purpose of matching

federal funds and to the Department of Military to pay the administrative costs of the Disaster Relief Program. Said appropriations shall be made first from the Reserve for Disaster Relief and they are in addition to the appropriation made in Section 1, Title III-21, of this act.

Item 29. To the Department of Health from the "Nursing Home Resident Protection Trust Fund" under the provisions of Tennessee Code Annotated, Section 68-11-827.

Item 30. To the Department of Health from funds available under the Health Access Act of 1989, Tennessee Code Annotated, Sections 66-29-121 and 66-29-151.

Item 31. To the Department of Health from the "Child Safety Fund" to administer and fund the provisions of Tennessee Code Annotated, Section 55-9-602(f)(7).

Item 32. To the Department of Health, Health Related Boards, and to the Department of Commerce and Insurance, Division of Regulatory Boards, for data processing systems development and implementation. Said appropriations are subject to the provisions of Tennessee Code Annotated, Section 4-3-1011.

Item 33. To the Department of Transportation for payments to the Claims Award Fund. Said appropriation shall be made from the highway fund balance.

SECTION 9. In addition to the appropriations made in Section 4 of this act and subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1, there is hereby appropriated a sum sufficient:

Item 1. To the Attorney General and Reporter, if the appropriation made in Section 4, Title III-1, Item 1.1, shall prove inadequate to allow the Attorney General and Reporter to represent the state agencies and officials before the Claims Commission, or state agencies and officials in other cases of litigation or other legal matters. The Commissioner of Finance and Administration, upon the request of the Attorney General and Reporter, is hereby authorized to increase the departmental revenue estimate by an amount sufficient to provide for such representation and to establish positions as may be required.

Item 2. To the Attorney General and Reporter from the attorneys' fees and expenses of litigation awarded under the provisions of Tennessee Code Annotated, Section 67-1-1803(d), or any other fees and expenses awarded to the Attorney General and Reporter. The Commissioner of Finance and Administration is authorized to adjust the appropriation made under Section 1, Title III-1, Item 1.1, to recognize any reimbursement for expenses already provided. The Commissioner of Finance and Administration is authorized to establish positions as may be required.

Item 3. To the Attorney General and Reporter a sum sufficient from the Claims Award Fund for the purposes of implementing the provisions of Tennessee Code Annotated, Title 8, Chapter 42 relative to legal representation for state employees as amended by Chapter 370, Public Acts of 1995. The Commissioner of Finance and Administration, upon the request of the Attorney General and Reporter, is authorized to establish positions as may be required to implement the provisions of Tennessee Code Annotated, Title 8, Chapter 42.

Item 4. To the District Attorneys General, not to exceed \$252,000, under the provisions of Tennessee Code Annotated, Section 36-5-107(3).

Item 5. To the State Treasurer, with the concurrence of the Speaker of the Senate and the Speaker of the House of Representatives, for the purpose of developing and implementing programs designed to enhance investment performance, including programs designed to recruit and retain qualified investment staff.

Item 6. To the State Treasurer for payment of Unclaimed Property - Claims.

Item 7. To the Baccalaureate Education System Trust Board of Directors from fees and other charges for participation in the prepayment tuition program operated by the board under the provisions of Tennessee Code Annotated, Section 49-7-810.

Item 8. From federal funds available to the Tennessee Housing Development Agency, there is hereby appropriated a sum sufficient to meet obligations incurred by the agency, pursuant to the federal Section 8 program.

Item 9. To the Office for Information Resources from the revenues produced by the telecommunications network system. Further, it is the legislative intent that the net revenues received be allocated as follows: a) net revenues from higher education institutions and facilities shall be allocated to higher education as determined by the Commissioner of Finance and Administration; b) net revenues from the Department of Correction are hereby appropriated to the department; and c) all remaining net revenues are hereby appropriated for telecommunications purposes including office automation and electronic mail. From the appropriations made in b) and c) the sum of \$25,000.00 is earmarked for a victim's liason telephone line.

Item 10. To the Department of General Services for equipment and supplies ordered but not delivered at June 30, 1997.

Item 11. To the Department of Environment and Conservation from monies received by the state in connection with oil overcharge judgments and earnings accruing thereon. This appropriation is for the purpose of supporting activities of the Solid Waste Management Fund, and it shall not revert at June 30, 1998, but shall remain available for expenditure.

Item 12. To the Department of Correction in an amount equal to the balance in the revolving fund of the Tennessee Rehabilitative Initiative in Correction Board (TRICOR) for benefit of the program.

Item 13. To the Department of Economic and Community Development to meet community development grant expenditure requirements in the 1997-98 fiscal year. This appropriation shall be from federal aid funds.

Item 14. To the Department of Employment Security from federal aid funds and other departmental revenues. Subject to this appropriation, authorized positions may be increased up to one hundred (100) positions.

Item 15. To the Department of Commerce and Insurance, Division of Fire Prevention, for payment of electrical inspections. This appropriation is contingent

upon the fees collected for making electrical inspections being in excess of the budgeted estimate.

Item 16. To the Department of Human Services to recognize any non-TANF (previously non-AFDC) child support payments processed by the department.

Item 17. To the Department of Safety, the Department of Revenue, the Tennessee Bureau of Investigation, the Tennessee National Guard and the Alcoholic Beverage Commission from the proceeds of property seized and forfeited under federal procedures which are shared with the departments or the commission.

SECTION 10. The appropriations made by this act under Sections 1 and 4 shall be subject to the following provisions, limitations, or restrictions:

Item 1. Notwithstanding any provision of the law to the contrary, any institution which receives state funds appropriated by the provisions of this act shall be subject to audit by the Comptroller of the Treasury as to the expenditure and obligation of such funds.

Item 2. Any personal services, professional services or consultant services contracts concerning management services of all types, management studies, planning services, public relations, evaluations, systems designs, data processing, auditing or accounting services entered into by an executive department or agency of state government shall be executed by the head of such department or agency and shall be subject to approval by the Commissioner of Finance and Administration and the Comptroller of the Treasury. No funds appropriated under this act to a department or agency shall be used for such contracts unless such approval is received or is otherwise authorized by the approving officials. Any such contract entered into by agencies of the legislative or judicial branches shall be subject to the approval of the Comptroller of the Treasury.

Item 3. No funds appropriated by this act shall be obligated and/or expended for any newsletter, periodical, or other material which is to be distributed to all, or substantially all, state employees (excluding higher education) until the agency head proposing to make such distribution contacts the two Speakers and makes available equal space for legislative information in such newsletter, periodical, or other material. This item shall not apply to policy and/or procedural directives.

Item 4. From the funds appropriated to the TennCare program, the state shall comply with applicable federal law.

Item 5. During fiscal year 1997-98 it is the legislative intent to encourage that all conferences, workshops, meetings, seminars, programs, and similar endeavors conducted for officials and/or employees of the legislative, executive, or judicial branch of state government be conducted in state facilities whenever practicable.

Item 6. From the appropriation for travel expenses of Justices of the Supreme Court and for the members of the Court of Appeals and the Court of Criminal Appeals, each member of said Courts shall be reimbursed for necessary traveling expenses incurred by them during their absence from the counties of their residence on official business; provided, however, that such travel expenses

shall be limited to board and lodging and mileage each way necessary to travel on official business. Any judge seeking reimbursement for official expense under this section shall file with the Executive Secretary to the Supreme Court, or other official upon whom this duty may be lodged by law, a statement of such amounts necessarily expended by him in the discharge of such official duties and upon receipt of this verified statement, warrant for reimbursement for such expenses shall be issued.

Item 7. The Supreme Court shall fix the salaries of the marshals for the Eastern, Middle, and Western Divisions, which salary shall be payable out of the appropriations for Appellate Court Clerks.

Item 8. The commission in charge of the Supreme Court Building in Nashville, established by Tennessee Code Annotated, Section 16-3-701, is authorized to employ an experienced Engineer-Superintendent to supervise the air-conditioning and heating of the Supreme Court Building at Nashville and to employ the necessary assistants to keep and maintain the building. Payment for said services shall be paid out of the appropriations made by this act.

Light, heat and water for the Supreme Court Building in Nashville and for the Supreme Court Building in Knoxville is to be provided by the Department of General Services out of the appropriation herein made for it.

Item 9. Employees of the office of the Executive Secretary to the District Public Defender's Conference, District Public Defenders and employees of a District Public Defender's Office, as created pursuant to Tennessee Code Annotated, Title 8, Chapter 14, shall only travel and shall be reimbursed for travel expenses in accordance with the provisions of the comprehensive travel regulations promulgated by the Department of Finance and Administration and approved by the Attorney General.

Item 10. The appropriation made in Section 1, Title III-1, Item 5.9 for the Tax Relief Program, is made for the purpose of providing tax relief for elderly low-income homeowners, disabled homeowners, and disabled veteran homeowners, as provided by law. The income eligibility limit for elderly low-income homeowners and for homeowners totally and permanently disabled shall be adjusted for the fiscal year 1997-98 under the provisions of Tennessee Code Annotated, Sections 67-5-702 and 67-5-703.

Item 11. Notwithstanding any provision of the law to the contrary, from the appropriations made for the Department of the Treasury, there is hereby appropriated funds sufficient to defray the cost of administering, on behalf of state employees compensated on the centralized state payroll system, Tennessee Code Annotated, Title 8, Chapter 25, Part 1, the same being the "Government Employees' Deferred Compensation Plan Act", and Tennessee Code Annotated, Title 8, Chapter 25, Part 3, the same being the "Profit Sharing or Salary Reduction Plans for State Employees", and Tennessee Code Annotated, Section 8-25-501, the same being a "Cafeteria Benefits Plan" for state employees.

Item 12. From the appropriation made in Section 4, Title III-1, Item 7.2, Claims Award Reserve Fund, funds may be expended to contract with a third party for claims management services.

Item 13. The Commissioner of Finance and Administration is authorized to approve an adjustment in rates charged by the Office of Information

Resources and to reserve any funds needed to rebate savings to the federal government. Any adjustment of rates or reserve of funds pursuant to the provisions of this act shall be reported to the Information Systems Council.

Item 14. Subject to the concurrence of the Commissioner of Finance and Administration, the Commissioner of Personnel is authorized to develop and implement a system whereby the cost of the Civil Service Commission and of services rendered to the Department of Personnel by the Administrative Procedures Division of the Department of State is recovered from those departments, boards and commissions to whom services are rendered.

Item 15. The funds appropriated in Section 4, Title III-3, to the Division of Forestry, shall include the proceeds from timber sales conducted by the Department of Agriculture. It is the legislative intent that said proceeds shall be accounted for as departmental revenue.

Item 16. From the appropriation made for the Department of Tourist Development, there is hereby appropriated a sum not to exceed twelve thousand five hundred dollars (\$12,500.00), sufficient to defray the cost of advertising and other expenses in connection with special events in which Tennessee is represented and/or events within the State for which Tennessee will act as official host. Any allotment of funds made under the authority of this section shall be made only on the approval of the Commissioner of Finance and Administration.

Item 17. From the appropriations made in this act, there shall be paid expenses incurred by the Department of Economic and Community Development and the Department of Tourist Development, representing the state in its official capacity; provided, however, that nothing herein shall authorize the expenditure by each agency for such purposes in excess of five thousand dollars (\$5,000.00) per annum. The amount and purposes of such expenses are subject to approval by the Commissioner of Finance and Administration.

Item 18. The revenues collected under the provisions of Tennessee Code Annotated, Title 67, Chapter 4, Part 16, are available to fund the appropriations made for the Solid Waste Assistance Fund in Section 1, Title III-5 of this act. The Commissioner of Finance and Administration shall allocate all of said revenues to the fund.

Item 19. From the appropriations made to State Prosecutions under this act in Section 1, Title III-7, Item 3, the Commissioner of Correction and the Commissioner of Finance and Administration are authorized to develop and implement a plan to prorate payments to stay within available funds.

Item 20. Notwithstanding any provision of the law to the contrary, where a judicial proceeding is transferred from one jurisdiction to another for trial on a defendant's motion for change of venue, the limitation of five hundred dollars (\$500.00) for the board and lodging of the jury shall not apply, provided the Comptroller of the Treasury on the advice of the State Attorney General, determines that additional funds for boarding and lodging the jury are necessary.

Item 21. The appropriation of funds for the administration of the loan program authorized under the Mental Health and Mental Retardation Facilities Act of 1990, codified as Part 7, Chapter 31, of Title 4, is made to assist the authority in simplifying the loan process; it being the legislative intent that the authority, in determining what security to require for the loans, will look primarily

to grant funds and will utilize its discretion in requiring additional security, such as deeds of trust.

Item 22. The Department of Mental Health and Mental Retardation is authorized to expend up to one hundred fifty thousand dollars (\$150,000) in available funds for the purpose of implementing the provisions of Tennessee Code Annotated, Section 12-4-330, and such funds are specifically appropriated for that purpose.

Item 23. Within the amount appropriated in Section 1, Title III-17, for Temporary Assistance to Needy Families in the Families First program established pursuant to the provisions of Tennessee Code Annotated, Title 71, Chapter 3, Part 1, the Commissioner of Human Services shall establish by rule or regulation to be effective July 1, 1997, the maximum grants for eligible persons in the Families First program expressed as a percentage of the standard of need, which standard of need shall, notwithstanding any law or regulation to the contrary, be established at six hundred seventy-seven dollars (\$677) by rule or regulation to be effective July 1, 1997 for fiscal year 1998 for an assistance group composed of three (3) persons, and the standard of need for other assistance group sizes shall be established by the Department of Human Services by rule or regulation to be effective July 1, 1997 for fiscal year 1998 at the same levels as established in fiscal year 1997 for such other assistance group sizes.

Item 24. The appropriations to the Department of Revenue under Section 1, Title III-18, provide for all the activities of the department and include amounts in lieu of percentages allowed by law on collection of certain taxes and revenues; such percentage shall be covered into and made a part of the general fund. Appropriations also include amounts for motor vehicle registration and any other activities which may be administered by the Department of Revenue and/or the Department of Safety.

Item 25. The appropriation to the Tennessee Association of Rescue Squads in Section 1, Title III-21, is for the sole purpose of maintaining a state headquarters of the association and to pay the salary of an executive director of the association and other expenses appurtenant thereto.

Item 26. Notwithstanding any provision of the law to the contrary, the Department of Transportation shall not release or make available information which reveals the amount of funding available for any project.

Item 27. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient from the Tennessee Wildlife Resources Fund for the sole purpose of implementing Senate Bill 1009 / House Bill 1501, relative to the Comprehensive Boating Safety Act of 1997, if such bill becomes law.

Item 28. There is appropriated the sum of sixty thousand dollars (\$60,000) from funds received by the Administrative Office of the Court for the sole purpose of making a grant in such amount to statewide organizations engaged in offering assistance to organizations and individuals providing legal and other advocacy assistance to low income and/or elderly Tennesseans with civil legal problems, to be used for provision of the following services by the statewide organizations for lawyers, paralegals and other advocates working with and/or for low income and/or elderly Tennesseans: development of and provision of continuing legal education; development of manuals, and other informational resources; and other similar technical support.

Item 29. From the funds appropriated to the Department of Employment security, there is earmarked a sum sufficient to be allocated to the board of regents for the sole purpose of implementing House Bill No. 1206 / Senate Bill No. 1252, if such bill becomes law.

Item 30. There is transferred the sum of two million five hundred thousand dollars (\$2,500,000) from the unemployment compensation special administrative fund to the general fund. The transfer made in this item is subject to passage of HB 146 / SB 717.

Item 31. From the funds appropriated for state employees salary adjustments by the provisions of Section 1, Title III-21, Item 13, there is earmarked the sum of two hundred fifty thousand dollars (\$250,000) to be allocated to the General Assembly for the sole purpose of salary adjustments.

Item 32. The Commissioner of Finance and Administration is authorized to transfer from the treasury department to the revenue department one position and appropriate funding in recognition of changes being made in the state's deposit process. In addition, the commissioner is authorized to transfer from treasury department reserves to the revenue department funding for computer enhancements necessary to change the state's deposit process. The transfers authorized by this item are subject to the approval of the State Treasurer.

Item 33. In addition to any other funds appropriated by the provisions of this act, there is appropriated to the Tennessee Local Development Agency a sum sufficient from the Underground Storage Tank Fund for the purpose of paying debt service and expenses in connection with any debt issued pursuant to the provisions of Senate Bill 1033 / House Bill 595, relative to underground storage tanks, if such bill becomes law.

Item 34. Out of funds appropriated by Section 1, Title III-21, Item 13 of this act, the Department of Personnel is directed to review and evaluate the preliminary salary equity study conducted by the Tennessee state museum and, based on its evaluation of such study, to make such adjustments in the compensation of the staff as are indicated.

Item 35. Out of funds paid by the Tennessee State Museum as rent to the Department of General Services, there is hereby allocated the sum of thirty thousand dollars (\$30,000) for the purpose of allowing the museum to establish and fill security guard positions to provide directly controlled twenty-four (24) hour security for state museum facilities and property.

Item 36. Out of funds appropriated to the Commission on Children and Youth, there is hereby allocated a sum sufficient to allow three (3) positions subject to reduction to be restored through the reallocation of existing funds.

Item 37. Nothing contained in this act shall be construed to relinquish control of education to the federal government of the United States or usurp the traditional authority of the local school boards of the state. The General Assembly specifically reserves the right by appropriate legislation to terminate or continue acceptance of any funds from any grant from the federal government for a "School to Career" program.

The Joint Oversight Committee on Education is directed to investigate and hold public hearings on the "School to Career" program and make

recommendations concerning such program to the one-hundredth General Assembly by February 1, 1998.

Item 38. From the Tennessee Wildlife Resources Agency reserve fund, there is appropriated the sum of three hundred thirteen thousand four hundred dollars (\$313,400) from the Wildlife Fund to the Tennessee Wildlife Resources Agency for the purpose of funding salaries and appropriate charges for twelve (12) personnel positions.

Item 39. It is the legislative intent, and the Commissioner of Finance and Administration is hereby authorized, to reduce the appropriation made by this act to the Tennessee Wildlife Resources Agency by up to eighty-one thousand four hundred dollars (\$81,400) to prevent an over-appropriation to the "Hooked on Fishing Not on Drugs Program".

Item 40. Reduce the appropriation made in Section 1, Title III, Item 2.1 by the amount of \$731,800.

Item 41. Reduce the appropriation made in Section 1, Title II, Item 1. Appellate and Trial Courts in the amount of \$185,000 such amount being the improvement funds for a new circuit court in the 26th Judicial District.

Item 42. Reduce the appropriation in Section 1, Title III-7, in the amount of \$1,800,000 in order to reflect the cost avoidance resulting from passage of Senate Bill 1661 / House Bill 1265, (the Technical Violator Bill).

Item. 43. The Fiscal Review Committee is directed to review the functions of the consumer advocate division and its role in a de-regulated marketplace. Such review shall consider the appropriate level of budget of such division.

SECTION 11. The appropriations made by this act under Sections 1 and 4 to the Department of Education shall be subject to the following provisions, limitations, or restrictions:

Item 1. The appropriation made in Section 1, Title III-9, Item 2.1c. for the Basic Education Program (BEP), shall be administered pursuant to the provisions of the Education Improvement Act (Public Chapter No. 535 of the Public Acts of 1992).

Item 2. From the appropriations made to the Department of Education under Section 1, Title III-9, of this act, the Department of Education is authorized to pay through disbursements to local education agencies (LEAs), for the benefit of eligible local education employees and their dependents, an amount not to exceed forty-five percent (45%) of the total statewide cost, based on the Basic Education Program (BEP) formula, of such persons' participation in the basic accident and medical expense insurance plan authorized by Tennessee Code Annotated, Title 8, Chapter 27, Part 3.

Item 3. From the appropriation made to the Department of Education under Section 1, Title III-9, of this act, for technology programs, there is hereby earmarked a sum sufficient for the expenditures of the Web Project.

Item 4. From the amounts herein appropriated to the Department of Education in Section 1, Title III-9, Item 2.1d, the Basic Education Program, the sum of \$12,000,000.00 is for the purpose of making distributions during fiscal

year 1997-98 to local education agencies to address teacher salary equalization concerns identified by the Tennessee Supreme Court in Tennessee Small Schools, et al. v. Ned Ray McWherter, et al. These funds shall be distributed based upon the provisions of Tennessee Code Annotated, Section 49-3-366.

Item 5. Under the provisions of Tennessee Code Annotated, Sections 49-3-357 and 49-3-358 pertaining to interest accruing on investments and deposits to the Education Trust Fund and the Basic Education Program, it is the legislative intent that only interest earnings be recognized and that no interest expense be charged to the fund and the program.

Item 6. The Department of Education shall submit to the Office of Legislative Budget Analysis the revised BEP funding formula for the ensuing fiscal year no later than January 1 of each year.

SECTION 12.

Item 1. The appropriation made in Section 1, Title III-1, to the State Board of Equalization Loan Fund is to be used in the property tax reappraisal and equalization programs and such related matters as are provided by law. In addition, there is herein appropriated the balance of any unexpended and unobligated funds from the fiscal year 1996-97 appropriation from the loan fund. The administration, control and expenditure of the funds herein appropriated shall be in accordance with the laws creating the revolving fund account. Such funds as may remain in the account at the end of the fiscal year shall not revert to the general fund but shall remain available for the purposes provided by law.

Item 2. There is hereby appropriated the sum of three million dollars (\$3,000,000.00) to the Department of Human Services, which sum shall be in addition to all other appropriations made to the Department of Human Services and which sum shall be used for the sole purpose of increasing the amount available to social service contractors, as provided for in Tennessee Code Annotated, Title 71, Chapter 1, Part 2.

Item 3. It is the intent of the General Assembly that the Commissioner of Health shall have the authority to promulgate, as public necessity rules pursuant to Tennessee Code Annotated, Section 4-5-209, those rules and regulations which concern the Medicaid/TennCare program and which require promulgation in order for the state to fiscally function (i) within the appropriations provided for the Medicaid/TennCare program or (ii) within the availability of revenues received for the Medicaid/TennCare program.

Item 4. After allocation of the first \$514,000.00 as provided in Tennessee Code Annotated, Section 55-4-307, all revenues arising from the surcharge for cultural motor vehicle registration plates provided for in Tennessee Code Annotated, Title 55, Chapter 4, Part 3, shall be allocated to and are hereby appropriated to the Tennessee Arts Commission for use in its programs.

Item 5. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of twenty-five thousand dollars (\$25,000) to the Department of Human Services for the sole purpose of making a grant in such amount to Child Abuse Prevention of Tennessee, Inc., to be used for operating and advertising a twenty-four (24) hour a day toll-free statewide telephone line for domestic violence.

Item 6. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of two hundred thousand dollars (\$200,000) to the Tennessee council for vocational-technical education for the sole purpose of funding the programs and activities of the council.

Item 7. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of five thousand dollars (\$5,000) to the Nashville Metropolitan Government to repay a state expense by the Nashville Metropolitan Government.

Item 8. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of five hundred forty thousand dollars (\$540,000) to the Department of Human Services for the sole purpose of allocating such sum in equal grants to each of the nine (9) human resource agencies.

Item 9. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of eight hundred thousand dollars (\$800,000) to the Department of Education for the sole purpose of restoring funding, on an equal share basis, to the seven (7) public television stations in Tennessee.

Item 10. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of five thousand dollars (\$5,000) to the Office of Legislative Administration for the sole purpose of funding the programs and activities of the statewide minority youth mock legislature annually hosted by the Black Caucus of State Legislators.

Item 11. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of two hundred twenty thousand dollars (\$220,000) for the sole purpose of making grants of ten thousand dollars (\$10,000) to each of the following community action agencies:

AGENCY COUNTIES SERVED	
Anderson County Community Action Commission	Anderson
Blount County Community Action Agency	Blount
Bradley-Cleveland Community Services Agency	Bradley
Caney-Fork Development Corporation	Cannon,
DeKalb,	
	Van
Buren, Warren	
Chattanooga Human Services Department	
Hamilton	
Clarksville-Montgomery County Community Action Agency	Montgomery
Cordell Hull Economic Opportunity Corporation	Clay, Jackson, Macon,
Smith	
Delta Human Resources Agency	
Fayette, Lauderdale	
Douglas-Cherokee Economic Authority	Cocke,
Grainger,	

Hamblen,		Sevier,
Jefferson, Monroe		
Highland Rim Economic Corporation		Dickson,
Stewart,		
Houston, Humphreys		
Knoxville-Knox County Community Action Agency		Knox
Mid-Cumberland Community Action Agency		Cheatham,
Sumner,		
Robertson,		
Trousdale,		
Williamson,		
Rutherford		
Mid-East Community Action Agency		Loudon, Roane
Mountain Valley Economic Opportunity Authority		Campbell,
Claiborne,		
Morgan, Scott,		Union
Northwest Tennessee Economic Development Council		Benton, Carroll,
Crockett, Dyer,		
Obion, Henry,		Lake,
Weakley, Gibson,		
Fayette, Tipton,		
Lauderdale, Madison		
Shelby County Community Services Agency		Shelby
South Central Human Resources Agency		
Bedford, Coffee,		
Franklin, Giles,		
Hickman, Lawrence,		Lewis,
Lincoln,		
Marshall, Maury,		Moore,
Perry, Wayne		

Southeast Human Resources Agency Grundy, McMinn, Sequatchie, Rhea	Bledsoe, Marion, Meigs, Polk,
Southwest Human Resources Agency Decatur, Hardeman, Hardin, Haywood, Henderson, Madison, McNairy	Chester,
Upper East Tennessee Human Development Agency Hancock, Hawkins, Johnson, Sullivan, Washington	Carter, Greene, Unicoi,
Metro-Action Commission Davidson	
Upper Cumberland Human Resource Agency Fentress, Overton, Putnam, Van Buren, Cannon	Cumberland, Pickett, White, Warren, DeKalb

Item 12. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of four hundred thirty-five thousand dollars (\$435,000) to the Department of State for the sole purpose of funding restoration of funding for regional libraries for books, materials and operating costs. Such funds may also be expended for regional library vehicle maintenance and restoration, repairs and replacements on bookmobiles and other library-related purposes and grants for renovation and construction of public libraries. It is the legislative intention that funds appropriated by the provisions of this item be nonrecurring.

Item 13. Subject to the passage of Senate Bill 113/House Bill 202, there is hereby appropriated from the Claims Award Fund a sum sufficient to cover the costs associated with the assignment of administrative law judges to hear

Tennessee Claims Commission matters pursuant to Section 1 of Senate Bill 113 / House Bill 202.

Item 14. Subject to the passage of Senate Bill 113 / House Bill 202, there is hereby appropriated from the Claims Award Fund a sum sufficient to cover the costs associated with alternative dispute resolutions conducted pursuant to Section 9 of Senate Bill 113 / House Bill 202.

Item 15. The Commissioner of Finance and Administration shall transfer all staff, staff positions, equipment, supplies, property, funds and other resources of the Tennessee Claims Commission from the Department of Commerce and Insurance to the Department of Treasury in accordance with, and subject to the passage of Senate Bill 113 / House Bill 202.

Item 16. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient from the Criminal Injuries Compensation Fund for the sole purpose of implementing Senate Bill 594 / House Bill 787, relative to compensation of victims of terrorism, if such bill becomes law.

Item 17. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of eight hundred ninety-three thousand and four hundred dollars (\$893,400) to restore base state funding for the Tennessee Student Assistance Award program to the level of funding in 1996-97.

Item 18. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of three hundred thousand dollars (\$300,000) to the Department of Health for the sole purpose of implementing Senate Bill 237 / House Bill 697, relative to reconstructive breast surgery, if such bill becomes a law.

Item 19. From revenues generated by the provisions of House Bill No. 1399 / Senate Bill No. 1637, there is earmarked a sum sufficient to the Department of Safety for the sole purpose of providing increased security at rest areas.

Item 20. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of ninety thousand dollars (\$90,000) to the University of Tennessee Institute of Agriculture for the sole purpose of making a grant in such amount to the Tennessee 4-H Club Foundation, to be used for providing state matching funds, pursuant to Tennessee Code Annotated, Section 49-9-1202.

Item 21. There is hereby appropriated a sum sufficient from employer FICA tax savings from the § 125 Cafeteria Plan (Flexible Benefits Plan) to provide for the employer match to the State's 401(k) Plan for State employees compensated on the centralized State payroll system. In the event funds from the § 125 Cafeteria Plan are insufficient to cover the employer match, there is hereby appropriated a sum sufficient to be used exclusively for said purpose. Out of available funds appropriated to the University of Tennessee system, the president of said system may use, but is not required to use, any such funds to provide for the employer match to the State's 401(k) Plan for employees of the University of Tennessee. Out of available funds appropriated to the State Board of Regents, the chancellor of said board may use, but is not required to use, any such funds to provide for the employer match to the State's 401(k) Plan for employees of the board of regents. Provided, however, that should the Board of

regents or the University of Tennessee system elect to fund the employer match, the State Treasurer shall have the authority to contract with Optional Retirement Plan vendors to provide investment products to Optional Retirement Plan participants under the State's 401(k) program. The appropriations made in this item shall be administered pursuant to the provisions of Tennessee Code Annotated, Title 8, Chapter 25.

Item 22. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of ninety-two thousand five hundred dollars (\$92,500) to the Office of the Court Administrator to create a new court and judgeship in the 21st judicial district. The appropriation made in this item is subject to Senate Bill 820 / House Bill 674 becoming law.

Item 23. The appropriations made in Sections 1 and 4 of this act to the Department of Health shall be adjusted to recognize a change between departmental revenue and general revenue. The appropriation made in Section 1, Title III-16, Item 3.2 shall be increased by \$31,100.00 and the appropriation made in Section 4, Title III-17, Item 3.1 shall be reduced by \$31,100.00.

Item 24. In addition to any other funds appropriated to the Department of Health in Section 1, Title III-16 of this Act, there is appropriated a sum sufficient from the Traumatic Brain Injury Fund to the Department of Health to allow for the provision of enhanced and/or new services which benefit traumatic brain injury persons and their families as authorized in Tennessee Code Annotated, Title 68, Chapter 55. Any additional appropriations provided under this item would be on a non-recurring basis from carry-forward funds which exist in the Traumatic Brain Injury Fund and would be subject to approval of the Commissioner of Finance and Administration.

Item 25. There is hereby appropriated from dedicated revenues the sum of \$83,800.00 to the Department of Commerce and Insurance, Division of Regulatory Boards, to establish two (2) inspector positions for the barber board and the cosmetology board.

Item 26. There is hereby appropriated from dedicated revenues the sum of \$151,300.00 to the Department of Commerce and Insurance, Division of Regulatory Boards, to establish five (5) positions, including an administrative director position, to upgrade two (2) positions and to fund other expenses for the State Board for Licensing Contractors.

Item 27. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of ten million dollars (\$10,000,000) to the Tennessee Higher Education Commission for the sole purpose of distribution to the institutions of the University of Tennessee and the State Board of Regents system in accordance with the following schedule:

Institution/Unit	Recurring
Austin Peay	\$ 182,800
Middle Tennessee	1,770,700
Tennessee State	365,800
Subtotal TBR Universities	\$ 2,319,300
Chattanooga	339,500
Columbia	662,300
Dyersburg	285,400

Jackson	121,500
Nashville State Tech	357,000
NorthEast	581,600
Pellissippi	153,500
Roane	13,300
Volunteer	1,389,900
Walters State	721,700
Subtotal 2-Year Institution	\$ 4,625,700
Subtotal Academic Units	\$ 6,945,000
Technology Centers	3,055,000
Total Formula Units	\$ 10,000,000.

Item 28. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of two hundred eighty-five thousand dollars (\$285,000) to the Department of Human Services for the sole purpose of making grants to children's advocacy centers as follows:

ChildHelp USA (Knoxville)	\$ 30,000
Hamilton County	30,000
Memphis	30,000
Nashville	30,000
Clarksville	30,000
Robertson County	30,000
Sullivan County	30,000
Carl Perkins Center for the Prevention of Child Abuse (Jackson)	30,000
Carl Perkins Center for the Prevention of Child Abuse (Tipton Co.)	30,000
Tennessee Chapter of Children's Advocacy Centers (Nashville)	15,000

Item 29. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of ninety-five thousand dollars (\$95,000) to the Department of the Military for the sole purpose of funding health care services pursuant to the Mediguard Program.

Item 30. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of three hundred fifty thousand dollars (\$350,000) to the Tennessee Wildlife Resources Agency from their reserves for the sole purpose of funding a feasibility study for Reelfoot Lake, for spraying vegetation at Reelfoot Lake and to fund use of Cook's Cutter to increase additional public waterfowl blindsites and other navigational purposes. It is the legislative intent that these funds be redirected from the Governor's proposed reduction to the agency.

Item 31. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of fifty thousand dollars (\$50,000) to the office of legislative administration for the sole purpose of making a grant in such amount to the black health care commission for regional health care summits across the State.

Item 32. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient not to exceed one hundred thousand dollars (\$100,000) to the Department of Children's Services for the sole purpose of implementing Senate Bill 1553 / House Bill 1104, if such bill becomes a law.

Item 33. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of six thousand six hundred dollars (\$6,600) to the office of legislative administration for the sole purpose of paying Tennessee's annual dues to the National Black Caucus of State Legislators.

Item 34. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of one hundred thousand dollars (\$100,000) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the West Eight Association of Soil Conservation Districts, to be used for soil conservation projects and administrative costs. It is the legislative intent that the appropriation made in this item be nonrecurring.

Item 35. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of one hundred thousand dollars (\$100,000) to the Comptroller of the Treasury for the sole purpose of conducting a study of the state judicial system. Such study shall include comparison of caseloads, work assignments, and distribution of public defenders and their assistants, district attorneys general and their assistants, criminal investigators and judges.

Item 36. In addition to any other appropriations made in this act, there is hereby appropriated the sum of two hundred thousand dollars (\$200,000) to the Department of Finance and Administration for the sole purpose of providing grants to support minority business development programs. These funds shall be distributed as follows:

Memphis Minority Business Development Center
\$75,000
Nashville Minority Business Development Center
\$75,000
Knoxville Minority Business Development Center
\$50,000.

The funds appropriated herein to the Nashville Minority Business Development Center shall be disbursed on a quarterly basis beginning July 1, 1997. If, at any time during the 1997-98 fiscal year, the Nashville Center's federal funding through the U.S. Department of Commerce should terminate, the remainder of the appropriation made herein to such center is hereby re-appropriated to the Memphis Minority Business Development Center to provide minority business development activities in Middle Tennessee through a contract with the existing Nashville Minority Business Development Center.

Item 37. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of sixty thousand dollars (\$60,000) to the Department of Education for the sole purpose of making a grant in such amount to the Health & Education Research Operative Services, Inc. (HEROS), to be used for funding continued research on the S.T.A.R. Project. It is the legislative intent that such funds only be used for completion of the study.

Item 38. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of fifty thousand dollars (\$50,000) to the Department of Education for the sole purpose of making a grant in such amount to educational institutions for which the state appoints trustees under the testamentary bequest of Samuel Watkins to the State of Tennessee, to be used for the purpose of funding major repairs and renovations to the real estate used for educational purposes, which is held in trust by the State of Tennessee.

Item 39. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of seventy-five thousand dollars (\$75,000) to the Department of Correction for the sole purpose of making a grant in such amount to Dismas, Inc., to be used for assisting with their programs in the State of Tennessee, and for no other purpose.

Item 40. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of seventy-five thousand dollars (\$75,000) to the Department of Human Services for the sole purpose of making a grant as follows:

Ed Lindsey Industries for the Blind, Inc.
\$75,000.

In order to be eligible to receive such funds, such organizations must enter into contracts with the Department of Human Services which shall include assurances that appropriated funds will be used to reduce trade indebtedness, for general operating expenses and for research and development of new products and markets to help accomplish self-sufficiency and freedom from further state subsidies within a period of five (5) years. The department is authorized to use up to three percent (3%) of the amount appropriated to fund a special independent task force to review both workshops' operations, to evaluate the operations and to make recommendations on ways to achieve the goal of self-sufficiency, including the amount, if any, of state appropriations for each of the following fiscal years commencing July 1, 1997.

Item 41. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of twenty-five thousand five hundred dollars (\$25,500) to the Department of Economic and Community Development for the sole purpose of making a grant in such amount to the Four Lake Regional Industrial Development Authority, to be used for the purpose of replacing funding by the state and the Tennessee Valley Authority. It is the legislative intent that the appropriation made in this item shall constitute the total appropriation for this project.

Item 42. In addition to any funds appropriated by the provisions of this act, there is appropriated the sum of twenty-eight thousand five hundred dollars (\$28,500) to the Comptroller of the Treasury for the purpose of conducting a pilot project on geographic information systems.

Item 43. It is the legislative intent that the General Assembly intends to fund the renovation of the old library at Volunteer State Community College if any higher education capital projects are funded in the 1998-1999 fiscal year.

It is the further legislative intent that the Tennessee Higher Education Commission conduct an independent investigation of the vacant Brister Library at the University of Memphis and recommend to the General Assembly what use, if

any, should be made of such building, what the cost of such recommendation would be, and how such cost would be funded.

Item 44. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of twenty thousand dollars (\$20,000) to the Tennessee Association of Soil Conservation Districts for the sole purpose of providing operating funds for the national convention to be held in Tennessee.

Item 45. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of forty thousand dollars (\$40,000) to the Department of Environment and Conservation for the sole purpose of making a grant in such amount to the Tennessee Wars Commission, to be used for the continuation of operations and programs.

Item 46. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of five hundred thousand dollars (\$500,000) to the Tennessee Area Health Education Center for the sole purpose of funding the programs and activities of the center. This sum shall be allocated as follows:

(1) Thirteen and three-eighths percent (13.375%) to East Tennessee State University for the Northeast Tennessee Area Health Education Center Program;

(2) Thirteen and three-eighths percent (13.375%) to Meharry Medical College for the East Tennessee Area Health Education Center Program;

(3) Forty-six and one half percent (46.50%) to Meharry Medical College for the start up and operational funds for the Middle Tennessee Area Health Education Center Program; and

(4) Twenty-six and three-fourths percent (26.75%) to the University of Tennessee, Memphis for the western grand division program.

From the funds appropriated, the institutions shall distribute not less than seventy-five percent (75%) of the funds to the local AHEC programs. The institutions shall not require any organizational changes in the local AHEC programs unless federal law so requires such changes.

This appropriation is non-recurring. Furthermore, it is the legislative intent that if any federal funds be received in excess of those anticipated in this act for such program that this appropriation of state funds and/or such allocations shall be reduced accordingly.

Item 47. The Tennessee Higher Education Commission is hereby directed to provide to the Select Oversight Committee on Education all pertinent information necessary to allow the committee to evaluate the current structure for funding higher education, including a review of the current peer institutions used in the funding formula, and the possibility of implementing a system to account for how each institution spends its state appropriation and revenues from tuition and fees.

The Office of the Comptroller and the Office of Legislative Budget Analysis shall provide support to the Select Committee for such evaluation.

Item 48. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of five thousand dollars (\$5,000) to the Secretary of State for the sole purpose of making a grant for materials for recording for the blind.

Item 49. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient not to exceed one hundred thousand dollars (\$100,000) to the Department of Correction for the sole purpose of implementing Senate Bill 1082 / House Bill 1160, relative to spousal rape or sexual battery, if such bill becomes a law.

Item 50. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient to implement the provisions of House Bill 1854 / Senate Bill 1907 relative to the Cordell Hull Birthplace if such act becomes law.

Item 51. There is hereby appropriated to the State Treasurer the sum of one hundred thousand dollars (\$100,000) from the Criminal Injuries Compensation Fund for the purpose of granting the same to the Tennessee Victims Coalition pursuant to § 40-24-107(e); provided, the coalition submits to the State Treasurer a plan specifying the use of the moneys and such plan is approved by the State Treasurer.

Item 52. In addition to any other funds appropriated by this act, there is hereby appropriated the sum of seventy-five thousand dollars (\$75,000) to the University of Tennessee for apiary research program.

Item 53. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of two hundred fifty thousand dollars (\$250,000) to the Department of Human Services for the sole purpose of continuing the funding level for adult homemaker services. It is the legislative intent that this provision be considered a recurring expenditure.

Item 54. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum not to exceed one hundred twenty thousand dollars (\$120,000) to the Department of Mental Health for the sole purpose of restoring five (5) abolished chaplain positions. The Commissioner of Personnel is directed to recreate such five (5) positions.

Item 55. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of fifty thousand dollars (\$50,000) to the Tennessee Defense Force for the sole purpose of operating expenses.

SECTION 13. There is hereby appropriated from the Reserve for Casualty Losses, established under the provisions of Tennessee Code Annotated, Title 12, Chapter 3, Part 9, the necessary funds for payment of losses sustained under the limited self-insurance program authorized by said law. The Commissioner of Finance and Administration is authorized to transfer any amounts herein appropriated to the capital projects fund, general fund, highway fund or other fund.

Further, to the extent that appropriations are made from the Reserve for Casualty Losses in the fiscal year ending June 30, 1998, it is the legislative intent that said Reserve be established in the amount of not less than five million dollars (\$5,000,000.00), and sufficient funds are hereby appropriated to establish the Reserve in that amount.

SECTION 14. The appropriations made by this act and all other appropriations, including appropriations of departmental revenues as set forth in Section 4 of this act, except such as may be made for the expenses of the Legislative Branch, and the appropriations made for the Judiciary, including the Attorney General and Reporter, District Attorneys General, Public Defenders, and the Office of the Post-Conviction Defender, the Secretary of State, Comptroller of the Treasury and State Treasurer, shall be obligated and expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1, which shall remain in full force and effect; and in case of conflict with any other law, the provisions of such laws shall prevail, except as otherwise herein specifically provided. All appropriations except those made by acts authorizing bond issues and expenditures thereof and those excepted from obligations and expenditure hereinabove, though made by other statutes, shall likewise be obligated and expended under the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1.

SECTION 15.

Item 1. No part of the fund appropriated to any department, office, instrumentality, or agency of the state government shall be expended in any other such entity, but if the head of any department, office, commission or instrumentality of the state government finds that there is a surplus in any classification, division, or unit under such entity, and a deficiency in any other division, unit or classification, then in that event the head of such department, office, commission or instrumentality of the state government may transfer such portion of such funds as may be necessary for the one division, unit or classification where the surplus exists to the other, except as otherwise provided herein, provided such transfer is approved by the Commissioner of Finance and Administration. Such transfer of funds pursuant to this item shall be subject to the approval of a majority of a committee composed of the Speaker of the Senate, the Speaker of the House and the Comptroller of the Treasury.

Item 2. The Commissioner of Finance and Administration may establish in any department, office, commission or instrumentality of the state government a clearing account through which all salaries and wages, including the state's portion of retirement, insurance, social security, etc., may be disbursed. In the event such accounts are established, department records shall be maintained showing the distribution of such amounts among the various appropriation codes, and any financial reports shall present expenditures as if such expenditures had been made through the individual appropriation accounts.

Item 3. The Commissioner of Finance and Administration shall have power and authority to refuse, with the approval of the Governor, to approve or honor any and all requisitions for purchases, except requisitions for purchases authorized by the Legislative Branch, including the Secretary of State, Comptroller of the Treasury and State Treasurer, and the Judiciary, including the Attorney General and Reporter. In case any division or function of government for which an appropriation is provided in this act or otherwise, shall be transferred from an existing department, to any other department, such transfer shall automatically result in the appropriation for such transferred division or function becoming available to the department to which such transfer is made for the purposes of such transferred division or function.

Item 4. From the appropriations made to the various state departments and agencies under this act, and other general acts appropriating money, there may be paid any expenses incurred by said departments and agencies for the

purpose of conducting and serving as host for regional or national conferences of which such departments or agencies may be members. Before any funds shall be expended under this authorization, the amount and purpose of the proposed expenditure shall be approved by the Commissioner of Finance and Administration.

Item 5. Notwithstanding any provision of law to the contrary, no state department or agency in the Executive Branch of state government is authorized to make organizational changes within such department or agency without the prior approval of the Commissioner of Finance and Administration. Where such organizational changes require a transfer of funds between organizational accounts and are contrary to the manner in which appropriations have been made herein, approval of said transfers is subject to approval by the Commissioner of Finance and Administration and by a majority of a committee composed of the Speaker of the Senate, the Speaker of the House and the Comptroller of the Treasury.

Item 6. The Commissioner of Finance and Administration is authorized to draw-down disputed federal funds and to reserve the funds to prevent their expenditure until the dispute is settled; and the Commissioner of Finance and Administration in consultation with the State Treasurer is authorized to allocate interest earnings on the draw-down of disputed federal funds and to pay interest earnings to the federal government in those instances when expenditures are ultimately disallowed.

Item 7. The Commissioner of Finance and Administration is authorized to impose a reasonable real estate transaction fee on all real estate transactions when the transaction is processed through the Department of Finance and Administration. Said fee structure shall be subject to approval by the State Building Commission.

Subject to the approval of the State Building Commission, there is hereby appropriated a sum sufficient to replace any real estate transaction fees that are waived.

Item 8. The Commissioner of Finance and Administration and the State Treasurer, with approval of the State Comptroller, shall develop and implement a policy to recover state funds and the state's costs associated with checks, warrants, drafts, and electronic funds transfers deposited to a state account that are subsequently returned unpaid by the drawer's bank.

Item 9. The Commissioner of Finance and Administration is authorized to maintain an indirect cost recovery plan to recognize overhead costs associated with the operations of the Tennessee Regulatory Authority, Wildlife Resources Agency, Department of Financial Institutions, Housing Development Agency and the regulatory boards and commissions not under the administration of the Department of Commerce and Insurance or the Department of Health. The Commissioner is further authorized to charge the departments and agencies covered by the indirect cost recovery plan for their individual overhead costs. The Commissioner of Finance and Administration shall file his plan for implementing the provisions of this item with the chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives.

Item 10. The Commissioner of Finance and Administration is authorized to establish a state regulatory fee not to exceed \$5.00 for one year and \$10.00 for two years. The fee shall be in lieu of any allocation of indirect costs which

would otherwise be allocated to the regulatory boards covered by the provisions of Chapter 523, Public Acts of 1989.

Item 11. If any appropriation in this act fails to designate a department or agency of state government to be responsible for the administration of the appropriation, then the Commissioner of Finance and Administration is hereby directed to designate the state department or agency to administer the appropriation.

Unless otherwise directed by language in this act, appropriation grants to agencies outside of state government shall be administered in such manner as the Commissioner of Finance and Administration shall determine. Direct appropriation grants for the benefit of agencies outside of state government may be administered by the Department of Finance and Administration.

Item 12. For the purposes of this item, the term "chief fiscal officer" shall mean the position within a state agency that has overall daily responsibility for the oversight of the fiscal operation for that agency. The Commissioner of Personnel in consultation with the Commissioner of Finance and Administration shall designate and classify position(s) within each agency of the Executive Branch of state government as chief fiscal officer(s) for that agency. Qualifications and appointments to fill existing or future vacancies shall be in accordance with procedures established by the Commissioner of Personnel with the approval of the Commissioner of Finance and Administration.

Item 13. From the appropriations made in this act to pay the salaries of state employees who are hired on or after July 1, 1997, the Commissioner of Finance and Administration is authorized to require that those salaries be paid through direct-deposit procedures.

Item 14. The Commissioner of Finance and Administration is hereby authorized to adjust departmental revenue and reserve estimates and related expenditures: a) for internal service funds to record fees received for services provided to departments, agencies, boards, and commissions and b) to record payment for services provided to state agencies by another state agency.

Item 15. The Commissioner of Finance and Administration is hereby authorized to adjust departmental revenue and related expenditures to recognize a) the carry-over of federal funds and other departmental revenues that were budgeted and allotted but unexpended or unobligated at June 30; b) an increase in the federal rate of reimbursement or match in federal programs so that there is less state expense or the additional federal funds are available to meet increasing costs without improving programs; and c) an unexpected increase in federal grant funds so that there is less state expense or the additional federal funds are available to meet increasing costs without improving programs.

Item 16. The Commissioner of Finance and Administration is hereby authorized to adjust the estimates of federal block grant funds and other federal grant-in-aid funds estimated in Section 4 and Section 31 of this act to reflect the actual allocations of federal revenues made available to the State of Tennessee by the federal government.

SECTION 16.

Item 1. Each department, division or agency for the benefit of which an appropriation is made herein and which participates in the Consolidated

Retirement System, shall pay from such appropriation monthly such sums as may be due such Consolidated Retirement System as the state's contribution from such department, division or agency.

Item 2. The appropriation in Section 1, Title III-21, to the Consolidated Retirement System of the State of Tennessee in the amount of five million five hundred thousand dollars (\$5,500,000.00) is for retirement contribution for certain county officials and county judges. It is the legislative intent that the appropriation equal revenue collected and apportioned under the provisions of Tennessee Code Annotated, Title 67, Chapter 4, Part 6 and Tennessee Code Annotated, Section 8-37-604, for county judges and county officials, and the Commissioner of Finance and Administration shall increase or decrease the appropriation for those officials accordingly.

Item 3. The appropriation in Section 1, Title III-21, to the Consolidated Retirement System of the State of Tennessee in the amount of one hundred thousand dollars (\$100,000.00) is for retirement contribution for certain General Sessions Judges. It is the legislative intent that the appropriation equal revenue collected and apportioned under the provisions of Tennessee Code Annotated, Title 67, Chapter 4, Part 6, for General Sessions Judges, and the Commissioner of Finance and Administration shall increase or decrease the appropriation for those judges accordingly.

Item 4. The State Treasurer, with the approval of the Commissioner of Finance and Administration, shall have authority to transfer any increase in the appropriation for county officials' and county judges' retirement contributions between the organizational units or programs benefiting from said appropriations. Such transfers shall be limited to the appropriations made for judicial and administrative officials of county governments, provided, however, that the State Treasurer, with the approval of the Commissioner of Finance and Administration, shall have authority to consolidate the assets of the retirement plans for elected and appointed officials for accounting and funding purposes. Such consolidations shall be limited to retirement plans with common employers.

Item 5. Whenever any law relating to retirement matters is passed by the General Assembly which does not affirmatively state that it has application to participating political subdivisions and it is subsequently determined by the retirement division that such act or provision thereof mandates increased liability to a participating political subdivision within the meaning of Article II, Section 24, of the Tennessee Constitution, compliance with the provisions of such act or acts shall be optional to the political subdivision. Upon discovery by the retirement division that an enactment increases liabilities to the local governments, notice of the effect of such enactment shall be given to the governing body by the retirement division within a reasonable time after discovery. The governing body of each political subdivision shall upon notification of the effect of the law, advise the retirement division of its desire to be covered by the provisions of the act within four (4) months of the date of notice. All participating political subdivisions which do not elect to be covered by the provisions of the enactment shall be excluded from the provisions thereof.

SECTION 17.

Item 1. From the appropriations made herein, the various departments, agencies, boards and commissions of state government shall pay on behalf of each participating employee within the respective departments, agencies, boards and commissions, not less than seventy percent (70%), nor more than eighty

percent (80%) of the cost of each individual's participation in the basic group medical insurance program and one hundred percent (100%) of the cost of twenty thousand dollars (\$20,000.00) of basic term life insurance coverage and forty thousand dollars (\$40,000.00) of basic special accident insurance coverage for each participating employee; such basic medical, life and accident insurance program to be established pursuant to Tennessee Code Annotated, Title 8, Chapter 27, Part 2.

Item 2. From the appropriations made herein the Department of Military is hereby authorized to pay, on behalf of each participating national guardsman called up to state active duty, the cost of each individual's participation in the state-approved Group Life Insurance Plan for national guardsmen called up to state active duty. The provisions of Tennessee Code Annotated, Title 8, Chapter 27, Part 2, shall apply.

Item 3. The State Insurance Committee is to provide for the formation of optional advisory committees to be composed of members representing state employees, health care providers, and other involved parties for the purpose of providing suggestions and reactions to the State Insurance Committee. The State Insurance Committee is also to provide more advanced and detailed notices concerning both the meetings of the State Insurance Committee and any changes in the state insurance plan. Whenever possible, the State Insurance Committee shall provide sixty days notice of any changes in the state insurance plan.

Item 4. The State Insurance Committee shall establish and maintain, within the appropriations made in this act for supplemental medical insurance for retired state employees and retired teachers and in accordance with Tennessee Code Annotated, Section 8-27-702, the respective contribution levels to be made by the state on behalf of the eligible participating retirees. The annualized contribution rate established by the Committee for the eligible participating employees shall not exceed the amount appropriated in this act, and the rate established is subject to approval by the Commissioner of Finance and Administration.

Item 5. Within the eligibility criteria established by the State Insurance Committee, it is the legislative intent that the State Insurance Committee establish a schedule of premium payments for retirees participating in the group insurance plan established under the provisions of Tennessee Code Annotated, Title 8, Chapter 27, Part 2. The revised schedule shall be based upon the total monthly plan premiums for all participants and the retiree's contribution shall be graduated to reflect the retiree's length of service. For retirees with less than twenty (20) years of service, the retiree shall pay forty percent (40%) of the monthly premium of the coverage selected by the retiree. For retirees with twenty (20) but less than thirty (30) years of service, the retiree shall pay thirty percent (30%) of the monthly premium of the coverage selected by the retiree. For retirees with thirty (30) or more years of service, the retiree shall pay twenty percent (20%) of the monthly premium of the coverage selected by the retiree.

SECTION 18. From the appropriations made by this act, claims for official travel expenses of state employees and members of boards and commissions, notwithstanding any provision of the law to the contrary, shall be subject to the provisions of comprehensive travel regulations as approved by the Attorney General and the Commissioner of Finance and Administration under the provisions of Tennessee Code Annotated, Section 4-3-1008.

SECTION 19. Whenever similar or duplicate appropriations are made in this act to those carried in any other act, such appropriation herein shall not be deemed as a supplemental appropriation, it being the legislative intent that there shall be no overlapping appropriations for equivalent amounts; but if this act simply supplements the appropriations made by the other act, then such supplemental appropriation shall be valid. The same shall apply to similar or duplicate appropriations made solely within this act.

SECTION 20. Notwithstanding the provisions of Tennessee Code Annotated, Title 54, Chapter 2, Part 2, to the contrary, whenever the State of Tennessee has any surplus lands or other surplus real properties which are sold or conveyed during the fiscal year ending June 30, 1997, the proceeds from the sale of such lands or other real property shall be subject to the provisions of Tennessee Code Annotated, Section 12-2-112.

SECTION 21. The Board of Standards, may, if it considers such action in the interest of the state, authorize the Director of Purchasing to negotiate for the purchase of computer programs and associated software systems without following the procedures set out in Tennessee Code Annotated, Title 12, Chapter 3, relative to requisitioning and the receipt of bids. Such purchases shall be made at and for the best possible price, and each such purchase shall be confirmed by the Board of Standards before becoming effective. This exception shall not apply to the purchase of computer equipment machinery or associated hardware, but the same shall continue to be acquired in accordance with the procedures set out in Tennessee Code Annotated, Title 12, Chapter 3.

SECTION 22. Notwithstanding the provisions of Tennessee Code Annotated, Title 66, Chapter 29, warrants, drafts, and checks drawn on the State Treasury that have not been redeemed within twelve months of issue date shall be cancelled and written off the state's books with the funds reverting to the fund of issue. Subsequent claims by the payee of said instruments, shall be honored upon receipt of documentation to substantiate the claim. The Commissioner of Finance and Administration and the State Treasurer shall develop a plan to ensure the state's compliance with the unclaimed property law.

SECTION 23. It is hereby declared to be the legislative intent that the Commissioner of Finance and Administration revise the funding recommendations and personnel summaries contained in the Budget Document to conform with this act, other general acts of this Session and any other actions which affect the level of departmental or other such revenue. Said revised summaries shall be provided to the Office of Legislative Budget Analysis Finance, Ways and Means Committees of the Senate and House of Representatives and to the Office of the Comptroller of the Treasury and Fiscal Review Committee. The Commissioner of Personnel shall submit a monthly report to the office of legislative budget analysis regarding positions that have been overlapped for ninety (90) days or more. In addition, the budget as introduced shall indicate the number of positions overlapped on the date of introduction.

In establishing allotments from the appropriations herein made, the Commissioner of Finance and Administration may establish total spending authorizations in the amount of the specific appropriation from state revenues herein made, plus the estimated federal and departmental revenues estimated to be available as presented in the revised funding summaries cited above. In the event federal and departmental revenues for any particular program, appropriation code, or other classification are less than the amount estimated to be available under the allotments then and to that extent the spending authorizations are hereby reduced; to the extent that federal or departmental revenues in excess of the amounts allotted are realized, such excess shall

not constitute increased spending authorizations, except under the conditions herein specified.

In establishing the allotments herein authorized, the Commissioner of Finance and Administration shall divide the total spending authorizations by allotment code, into two subdivisions, as follows:

1. Personal Services and Benefits

2. Other Operating Expenses

No state agency shall establish new programs nor expand programs, including any programs involving federal or other funds, beyond the scope of those already established, recognized and approved by the legislature, as reflected in the revised summaries cited above, until the program and the availability of the money is submitted by the Commissioner of Finance and Administration to the Finance, Ways and Means Committee chairmen and until said committee chairmen have acknowledged in writing receipt thereof, to the Commissioner of Finance and Administration. Provided, however, that capital outlay program projects and the availability of funding shall be submitted to the State Building Commission to be acknowledged.

SECTION 24.

Item 1. Notwithstanding any provision of the law to the contrary, the heads of the respective departments for which appropriations are made in Section 1, Titles I, II, III-1, Items 1, 3, 5, and 7, are authorized to revise their respective budgets and personnel authorizations within the appropriations made in Sections 1 and 4 of this act and to submit those revised summaries to the Commissioner of Finance and Administration, who shall incorporate them into the revised funding recommendations and personnel summaries and allotments and spending authorizations required by Section 23 of this act.

Item 2. All funds appropriated in Section 1, Title III-1, Items 3, 5 and 7 and in Section 4, Title III-1, Items 3, 5 and 6 shall be administered in a ministerial capacity by the Department of Finance and Administration in accordance with budgets and any revisions thereto of the respective entities for which such appropriations are made. Such budgets and any revisions thereto shall be subject to the concurrence of the Speaker of the Senate and Speaker of the House of Representatives.

SECTION 25. Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state revenues and departmental revenues made in this act and in prior acts to the state, its departments, agencies, boards, educational institutions, instrumentalities, and incorporated entities performing the state's governmental functions shall be state funds and shall be protected by the state's sovereign immunity from every court's judgment, decree, attachment, or other legal process; provided, however, that any statutory or other provision authorizing an agency, board, or entity to sue and be sued shall not constitute a waiver of sovereign immunity.

SECTION 26. From the appropriation made for the "General Assembly - Legislative Expense" under Section 1, Title I-1, payment shall be made for, but not limited to, the following items:

1. Any lawful expenses of the One-hundredth General Assembly, for which funds have not been obligated on June 30, 1997, such funds herein

appropriated as are required may be made available during the fiscal year ending June 30, 1997.

2. The lawful expenses of the One-hundredth General Assembly.

3. The cost of staffing, maintaining and operating the offices of the Speaker of the Senate and the Speaker of the House of Representatives, including necessary travel and other expenses incident to said offices, not covered by Title I, Items 3 and 4, of this act.

4. Such expenses as may be incurred for maintaining legislative facilities including the maintenance and staffing and such other expenses as may be necessary to provide offices and other services to members of the General Assembly and their staff in state facilities in Nashville.

5. Expenses and travel pay to legislators for each day when attending conferences, workshops, and other official meetings, both within and without the State of Tennessee, when said travel is approved by the Speaker of the Senate and/or the Speaker of the House of Representatives. Payments shall be at the same rate provided for members of the standing committees of the General Assembly when meeting between sessions. Provided, further, that reimbursement may be made to legislators for registration fees incurred while attending conferences and meetings as may be approved by the Speaker of the Senate and/or the House of Representatives.

6. Expenses and travel pay allowed to members of the Joint Legislative Services Committee as authorized under Tennessee Code Annotated, Section 3-1-106, and to members of the Fiscal Review Committee, as authorized under Tennessee Code Annotated, Section 3-7-102.

7. The Speakers may transfer to the Office of Legislative Services and the Office of Legal Services for the General Assembly and to the Fiscal Review Committee sufficient funds to enable them to complete all studies assigned to them by the One-hundredth General Assembly, and to furnish such help as may be required by standing, select and joint committees of the General Assembly.

8. Membership dues to the National Conference of State Legislatures, similar service organizations, and such other conferences as may be approved by the Speaker of the Senate and the Speaker of the House of Representatives. Such payments may be made quarterly or in accordance with other partial payment plans.

9. Any expenditures for legislative purposes called for by resolutions or joint resolutions properly adopted by either or both Houses of the General Assembly.

10. Payment of expenses to any member, as provided by law, for attendance at any meeting of any standing, special, or select committee of the General Assembly, whether such meeting occurs during or between sessions of the General Assembly. Such expenses for meetings held between sessions shall be paid at the same rate as provided in the general law for meetings held while the General Assembly is in session.

All items listed above, together with any other expenses for the General Assembly, upon the approval of the Speaker of the Senate and/or the Speaker of the House of Representatives, shall be paid through the Office of Legislative

Administration, who shall also be authorized to make arrangements for, and incur obligations incident to, any convening of the One-hundredth General Assembly, including but not limited to such items as contracts for the reproduction of bills, the printing of a daily legislative service, and the Tennessee Legislative Record.

Provided, further, that during any period when the Offices of the Speaker of the Senate or the Speaker of the House of Representatives are vacant, or otherwise upon authority of the Speakers, the Director of the Office of Legislative Administration is hereby authorized to do any act which the Speaker might do under the provisions of this section.

The provisions of the section shall not be construed to countermand any general act passed by the One-hundredth General Assembly.

SECTION 27. The Speaker of each House of the General Assembly shall be paid from funds appropriated to "General Assembly - Legislative Expense" the following sums:

Seven hundred fifty dollars (\$750.00) for their ex officio services during any session of the General Assembly; plus the sum of five thousand seven hundred dollars (\$5,700.00) annually for local office expenses in their county of residence which will be in addition to the cost of maintaining and operating offices in the State Capitol. In addition, each Speaker shall be allowed the same amount for expenses and travel pay as that provided for members of the standing committees of the General Assembly when meeting between sessions, for attending meetings of standing, select, or joint committees of the General Assembly or when absent from their county of residence on official duty as Speaker. When the Speaker, Majority Leader, Senate Floor Leader or House Majority Whip travel by conveyance owned by such person, travel pay may be allowed on the basis of actual cost.

The allowance for ex officio duties authorized by this section shall be paid at the request of each Speaker at any time after adjournment of a session. The amount authorized hereby for local office expenses shall be paid annually on or after November 1st of each year at the request of each Speaker. Requests for payments shall be addressed to the Director of the Office of Legislative Administration and need not be accompanied by a list of expenditures for which allowances the reimbursements are claimed. Payments for attending meetings between sessions or when absent from county of residence shall be paid from time to time on request of each Speaker.

SECTION 28. In order to prevent duplication of effort and to establish professional standards, audits to be performed by internal audit staffs or grantees of departmental activities funded from appropriations made in this act shall be coordinated with the Office of the Comptroller of the Treasury, and such reports as may be issued shall be prepared in accordance with standards established as required by law by the Comptroller of the Treasury. No department, agency, institution, board, or commission shall cause internal auditing to be performed by persons who do not meet the job specifications for internal auditors established by the Commissioner of Personnel and approved by the Commissioner of Finance and Administration.

SECTION 29. The appropriations to public institutions of higher education set forth in Section 1 of this act shall be subject to the conditions and limitations set forth in this section, and shall not be subject to other provisions of this act except as otherwise expressly stated.

Item 1. Salaries to be paid from the appropriations made to educational institutions shall be fixed as follows:

The President and the staff of the University of Tennessee, by the Board of Trustees; the Presidents and staffs of the institutions within, and the Chancellor and staff of, the State University and Community College System of Tennessee, by the Board of Regents; and the Directors and staffs of the technical institutes and the area vocational-technical schools by the Board of Regents; all of which shall be within the appropriations provided and available for said purposes.

Item 2. It is the intent of the General Assembly that higher education institutions, including the Tennessee Technology Centers, expend for maintenance and operations of the physical plant, exclusive of utilities, at least the amount included in the formula recommendation for that purpose, prorated to reflect actual funding levels appropriated in this act. Each institution shall report to the Commissioner of Finance and Administration the actual amount of expenditures for maintenance and operation of the physical plant, exclusive of utilities, for the fiscal year.

Item 3. All institutional revenues of any kind collected by the institutions in the course of their operations for their own use are hereby appropriated to the institutions in addition to the specific appropriations made by this act.

Item 4. It is the intent of the General Assembly that there shall be consistent fee charges among the public institutions of higher education of the state, subject to the nature and scope of the institutions, and that the State Board of Regents and the Board of Trustees of the University of Tennessee shall consult with the Higher Education Commission before establishing the fee schedules for the universities, community colleges, technical institutes and area vocational schools.

Item 5. The appropriations herein for higher education, and appropriations of all higher education departmental and institutional revenue are subject to the provisions of Tennessee Code Annotated, Title 9, Chapter 6, and subsections (4) and (5) of Tennessee Code Annotated, Section 4-3-1006. Within the general requirements of these provisions, the Commissioner of Finance and Administration, in consultation with the Comptroller of the Treasury and the Higher Education Commission, shall specify the content and procedures for submitting operating budgets and revisions thereto. The operating budgets shall be submitted to the Higher Education Commission by the respective governing boards. The Higher Education Commission shall then submit such operating budgets with their comments to the Department of Finance and Administration for approval. In addition, the appropriations in this act to institutions of higher education shall be subject to the requirements, restrictions and controls of the State Board of Claims and the State Building Commission in the same manner as other agencies of the state. The governing boards shall submit to the Office of Legislative Budget Analysis both the original and revised operating budgets proposed. The Tennessee Higher Education Commission shall submit to the Office of Legislative Budget Analysis the revised higher education funding formula for the ensuing fiscal year no later than December 1 of each year.

Item 6. From the appropriations made herein, institutions of higher education are hereby authorized to pay, on behalf of each participating employee, a percentage amount equal to the amount paid by other agencies of

the state of the cost of each employee's participation in the state-approved Group Insurance Plan for state employees.

Item 7. Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state funds and institutional revenues made in this act and prior acts to institutions of higher education shall be state funds and shall be protected by the state's sovereign immunity from any court's judgment, decree, attachment, or other legal process, provided that any statutory or other provision authorizing any entity to sue and be sued shall not constitute a waiver of sovereign immunity.

Item 8. The appropriation in Section 1, Title III-21, Miscellaneous Appropriations, for State School Bond Authority - Debt Service, in the amount of six hundred thousand dollars (\$600,000.00) is for benefit of education institutions with academic buildings funded through the State School Bond Authority which are listed in Chapter 858, Public Acts of 1972.

Item 9. From the appropriations made in this act and other appropriations acts, the budgetary units in higher education shall pay to the Division of Retirement, Department of the Treasury, the employer's share of retirement and social security costs including the additional benefit costs associated with pay raises funded from fees, revenues, payroll savings or any other funding source.

Item 10. There is hereby appropriated a sum sufficient to pay insurance claims filed by lending institutions under the provisions of the Guaranteed Student Loan Program and the costs associated with administering that program. Provided, however, such payments shall be made and such costs shall be paid from funds and reserves received and maintained by the Tennessee Student Assistance Corporation for the Guaranteed Student Loan Program and the State of Tennessee shall in no way be liable for such claims.

Item 11. In addition to any other funds appropriated by the provisions of this act, there is appropriated to the Student Assistance Corporation all reserve balances now held by the Corporation for the Student Loan Program authorized by Tennessee Code Annotated, Title 49, Chapter 4, Part 5. It being the legislative intent that these reserves may be used to cover any expenditures resulting from over-awards of assistance to students enrolled during the 1997-98 academic year under the Student Assistance Program. The allotment of funds appropriated by this item shall be subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 3, Part 10 and Title 9, Chapter 6, Part 1.

Item 12. From the appropriation to the Tennessee Student Assistance Awards in Section 1, Title III-10, any unexpended balance at June 30, 1998, shall not revert to the fund balance but shall be added to the reserve balances of the agency.

Item 13. The appropriations in this act for Centers of Excellence and Campus Centers of Emphasis are subject to allocation by the Higher Education Commission and the Commissioner of Finance and Administration. In allocating the appropriation for Centers of Excellence, a consideration shall be planned reductions to existing expenditures to supplement funding for the centers. The obligation and expenditure of funds appropriated for Centers of Excellence shall be subject to oversight by the special joint committee of the General Assembly created pursuant to the provisions of the Comprehensive Education Reform Act of 1984.

Item 14. The capital outlay projects listed in the 1997-1998 Budget Document and which are identified with the heading "Proposed Capital Projects From School Bonds And Other Sources, Fiscal Year 1997-1998," are presented for informational purposes only. The projects are subject to recommendation and approval procedures involving the higher education institutions and their governing boards, the Tennessee Higher Education Commission, Finance and Administration, the Tennessee State School Bond Authority, the State Funding Board and the State Building Commission.

The following proposed capital outlay project, to be funded from institutional funds, is in addition to those projects listed in the 1997-98 Budget Document:

Austin Peay State University
Emerald Hill Renovation
\$966,000.00

SECTION 30. Salaries provided under the appropriations made in Sections 1 and 4 of this act to the respective departments, institutions, offices and agencies shall be fixed as under the provisions of Tennessee Code Annotated, Title 8, Chapter 23.

Within the appropriations made for the Office of the Attorney General and Reporter under this act, the salaries of the attorneys, legal and clerical staff and other employees shall be fixed by the Attorney General. The expenditures provided for herein shall not exceed the amount of the appropriation to the Office of the Attorney General and Reporter.

The salaries of all employees of the Judicial Branch, except those whose salaries are set by law, shall be fixed by the Administrative Director of the Administrative Office of the Courts with the approval of the Chief Justice of the Supreme Court. The compensation of the judges, chancellors, and justices of the state's trial and appellate courts shall be set in accordance with Tennessee Code Annotated, Section 8-23-103.

Within the appropriations herein made, the salaries of the subordinates and employees of the Treasurer, Comptroller, Secretary of State, and the Fiscal Review Committee shall be fixed by the heads thereof, respectively, and the salaries of the employees and subordinates of the Joint Legislative Services Committee shall be fixed by such committee in accordance with the provisions of Tennessee Code Annotated, Title 3, Chapters 10 through 14, inclusive; all other salaries and wages in departments, institutions, offices and agencies shall be approved by the Commissioner of Personnel, provided, however, that the establishment of salary ranges within such departments, institutions, offices and agencies shall be subject to the approval of the Commissioner of Finance and Administration. To the extent that additional funds are appropriated or are generated within a department or agency by abolishing vacant and funded positions, subject to review and approval of the Commissioner of Finance and Administration and the Commissioner of Personnel, salary increases may be granted from such funds.

Employee promotions shall be reported to the General Assembly under the provisions of Tennessee Code Annotated, Section 8-30-211(b).

SECTION 31. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. Under the provisions of Section 4 and Section 23 of this act, it is the legislative intent to appropriate the proceeds of federal block grant programs, as assumed by the State of Tennessee, in the following manner:

1. Social Services block grant in the amount of \$18,416,200.00 to the Department of Human Services and in the amount of \$29,444,500.00 to the Department of Children's Services.

2. Mental Health Services block grant in the amount of \$4,613,900.00 to the Department of Mental Health and Mental Retardation.

3. Child Care Development Funds Block Grant in the amount of \$46,878,500.00 in 1996-97 and \$65,492,000.00 in 1997-98 to the Department of Human Services.

4. Maternal and Child Health block grant in the amount of \$13,731,600.00 to the Department of Health.

5. Preventive Health block grant in the amount of \$2,773,200.00 to the Department of Health.

6. Community Services block grant in the amount of \$9,633,400.00 to the Department of Human Services.

7. Low Income Energy Assistance block grant in the amount of \$13,495,700.00 to the Department of Human Services.

8. Substance Abuse Prevention and Treatment block grant in the amount of \$24,059,200.00 to the Department of Health.

9. Temporary Assistance to Needy Families (TANF) block grant in the amount of \$144,979,100.00 in 1996-97 and \$186,640,600.00 in 1997-98 to the Department of Human Services.

10. Small Cities Community Development block grant in the amount of \$59,772,000.00 to the Department of Economic and Community Development. Said sum being the estimated allocation of funds for the federal fiscal years 1996-97 and 1997-98 combined.

Provided, however, that all expenditures of any community development block grant funds in addition to those appropriated and enumerated in this section shall be subject to the following limitations and restrictions:

The Housing and Community Development Act of 1981 made it possible for states to assume administration of small cities Community Development Block Grant (CDBG) previously administered by the U.S. Department of Housing and Urban Development (HUD). In Tennessee, the CDBG Program shall be administered by the Department of Economic and Community Development (ECD). The Assistant Commissioner of Community Development shall be responsible for managing the CDBG Program.

There shall be appropriated by the General Assembly to ECD such funds as may be allocated to Tennessee by the federal government for the CDBG Program. The state-administered CDBG Program shall be developed within the parameters of the CDBG legislation, applicable federal regulations, and consultation with citizens and elected officials in Tennessee.

The CDBG goals shall be three-fold: (1) target on areas of economic distress, (2) stimulate the growth of jobs and income in these areas, and (3) maximize the number of grantees. Additionally, all CDBG projects must meet one

of the three national objectives of (1) principally benefiting persons of low and moderate income, (2) elimination or prevention of slums and blight, or (3) elimination of conditions detrimental to health, safety or public welfare. ECD shall be authorized to make grants and/or loans of CDBG monies to eligible city and county governments in Tennessee to achieve these goals. Loan payments and interest shall be reserved for reappropriation and shall not revert to the general fund balance at year end.

Eligible applicants shall be all city and county governments in Tennessee except those cities of over 50,000 population and principal cities of Standard Metropolitan Statistical Areas (SMSAs). Cities excluded from the state-administered CDBG Program include Memphis and Shelby County, Nashville (Davidson County), Chattanooga, Knoxville and Knox County, Clarksville, Bristol, Johnson City, Oak Ridge, Murfreesboro, Kingsport and Jackson. These cities and counties will receive their CDBG funds directly from HUD.

Based upon an anticipated CDBG allocation in the federal fiscal years 1997 and 1998 of \$29,886,000.00 each year, the following target funding levels shall be established:

	Federal FY '97	Federal FY '98
Administrative Costs	\$ 697,700	
697,700		
Industrial Location/ Expansions/ Retentions	11,444,000	11,444,000
Community Livability	1,691,300	1,691,300
Water/Sewer/Solid Waste	12,882,000	12,882,000
Housing and Neighborhood Revitalization	2,171,000	
2,171,000		
Set-Aside	1,000,000	
1,000,000		

A fifty percent (50%) reduction in any category will be permitted to facilitate proper program management and allow administrative flexibility. The funds so reduced shall be allocated to other categories with priority given to water/sewer/solid waste projects.

Selection criteria for project approvals shall be uniform within categories, objective and quantitative, and shall be based on project need, project feasibility, project impact, community need, and, for community livability projects, essentialness.

Project application materials will be supplemented, as appropriate, by site visits and by informed opinions of state agencies knowledgeable about particular projects.

The level of CDBG assistance for individual projects shall be determined by the following factors: (1) the percent of project beneficiaries that have family incomes below the low and moderate income (LMI) levels, (2) a maximum grant and/or loan of \$750,000.00 for individual projects (\$300,000.00 for community livability projects), (3) a maximum grant and/or loan to any applicant of

\$750,000.00 in two successive years, and (4) the grantee's ability-to-pay. Higher grant levels (up to \$1,000,000.00) may be approved for regional projects.

If modifications in the expenditure plan for the CDBG Program are required, said modifications shall be accomplished in the following manner: (1) if the General Assembly is in session such modifications shall be approved by the General Assembly, or (2) if the General Assembly is not in session, the Governor may, (a) submit such modifications to the State Funding Board for approval or, (b) call a special session of the General Assembly for approval.

The small cities Community Development Block Grants (CDBG) funded under this act or other acts of the legislature shall lapse if substantial progress has not been made within one year after the grant is awarded. Provided, however, that individual awards may be granted an extension upon approval by the Commissioner of Economic and Community Development and the Commissioner of Finance and Administration.

SECTION 32. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. The unexpended appropriations made to the Department of Economic and Community Development (ECD) for the purpose of making grants and loans to local governments and businesses for job creation and/or retention are subject to reversion to the general fund balance at June 30, 1997. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward any unexpended balance or transfer any part of the unexpended balance to the Revenue Fluctuation Reserve at June 30, 1997. The Commissioner shall report to the Chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives the disposition of the unexpended appropriations.

In the 1997-98 fiscal year it is the legislative intent that new commitments made by the Commissioner of Economic and Community Development for grants in the TIIP program and industrial training service program shall not exceed the appropriations made for those purposes in Section 1 of this act. The commissioner is authorized, subject to the concurrence of the State Funding Board, to determine that amount of new commitments unlikely to be accepted based on historical program trends and may over-commit to the extent of such determination. In no event may such over-commitments exceed thirty percent (30%) of the appropriations available for new grants. It is further the legislative intent that in the 1997-98 fiscal year the TIIP program and the industrial training service program be managed so that actual expenditures and obligations to be recognized at June 30, 1998 shall not exceed any available reserves and appropriations of the programs.

No less frequently than quarterly, the Commissioner of Economic and Community Development shall report to the Commissioner of Finance and Administration the status of the TIIP and industrial training service appropriation, such report to include at least the following information: the amount of each commitment accepted since the previous report and the name of the company receiving the benefit of such commitment, the total outstanding commitments and the total unobligated appropriation. A copy of each such report shall be transmitted to the chairmen of the Finance, Ways and Means Committees upon receipt by the Commissioner of Finance and Administration.

At least three (3) days prior to the disbursement of funds in connection with a TIIP or industrial training service grant, the Commissioner of Economic and Community Development shall notify the House and Senate member of the district in which such grant will be used.

No single grant shall be made for more than seven hundred fifty thousand dollars (\$750,000) nor shall any grant obligate funds for more than one year. This provision shall apply to applications received after June 15, 1995.

These funds shall be used for industrial training and industrial infrastructure under the following provisions:

1. A grant or loan will be made only where there is a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs.

2. Eligible businesses shall be limited to a) manufacturing and other types of economic activities which export more than half of their products or services outside of Tennessee, b) businesses where more than half of their products or services enters into the production of exported products, c) uses which primarily result in import substitution on the replacement of imported products or services with those produced in Tennessee, d) other types of economic activity determined by the Commissioner of ECD to have a beneficial impact on the economy of Tennessee.

3. Grants or loans may be made to local governments, other political subdivisions of the state, or eligible businesses for industrial infrastructure (water service, wastewater service, rail service, etc.) and for industrial site preparation (grading, leveling, drainage improvements, etc.) where such expenditures are required to secure the location, expansion, or retention of an eligible business. The department may implement a pilot loan program for industrial building construction in certain economically depressed counties. In determining the form of the assistance the department shall consider whether the improvement will be of general community benefit (in which case the assistance shall be a grant) or benefit only a specific business (in which case the assistance shall be a loan).

4. Grants may be made to eligible businesses for industrial training under the following conditions: a) to support the training of new employees for locating or expanding industries, b) to support the retraining of existing employees where retraining is required by the installation of new machinery or production processes.

5. In determining the level of grant assistance for infrastructure and site preparation consideration shall be given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates. In no case shall the maximum infrastructure grant exceed seven hundred fifty thousand dollars (\$750,000) nor shall any grant obligate funds for more than one (1) year. This provision shall apply to applications received after June 15, 1995.

The Commissioner of Finance and Administration is authorized to transfer a sum sufficient to the Division of Community Development and to the Industrial Training Service to provide for grants made under those programs.

SECTION 33. On or before January 31 of each calendar year, the Center for Business and Economic Research of the University of Tennessee shall cause to be published a comprehensive report on the state's economy. Said report shall be based on projections from the Tennessee Econometric Model and such other information as the Center may deem appropriate. The report shall contain projections for ten years (beginning with the calendar year preceding the year in which the report is due) of the annual economic activity (level and percent change over prior year) for each of the state's major economic sectors; shall include ten-year projections of selected economic

indicators, as specified by the State Funding Board; and shall also include a narrative description of the short-term and long-term prospects for economic and business activity in the state based on these indicators. Quarterly projections shall also be published if available.

Said report shall be distributed to the Governor and the other members of the State Funding Board. The State Funding Board shall report to the General Assembly as provided in Tennessee Code Annotated, Section 9-6-202.

SECTION 34. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. From the appropriations made in Chapter 1083, Public Acts of 1996, the Commissioner of Finance and Administration is authorized to make transfers from the appropriations made:

Item 1. To the Department of Finance and Administration in Section 1, Title III-2, and to adjust federal aid and other departmental revenue accordingly.

Item 2. To the Department of Environment and Conservation in Section 1, Title III-5, and to adjust federal aid and other departmental revenue accordingly.

Item 3. To the Department of Economic and Community Development in Section 1, Title III-8.

Item 4. To the Department of Education in Section 1, Title III-9, and to adjust federal aid and other departmental revenue accordingly.

Item 5. To the Department of Labor in Section 1, Title III-13.

Item 6. To the Department of Mental Health and Mental Retardation in Section 1, Title III-14, and to adjust federal aid and other departmental revenue accordingly.

Item 7. To the Department of Military in Section 1, Title III-15, and to adjust federal aid and other departmental revenue accordingly.

Item 8. To the Department of Health in Section 1, Title III-16, and to adjust federal aid and other departmental revenue accordingly.

Item 9. To the Department of Human Services in Section 1, Title III-17, and to adjust federal aid and other departmental revenue accordingly.

Item 10. To the Department of Revenue in Section 1, Title III-18.

Item 11. To the Department of Safety in Section 1, Title III-20, and to adjust federal aid and other departmental revenue accordingly.

Item 12. To the Department of Personnel in Section 1, Title III-2, and to adjust federal aid and other departmental revenue accordingly.

Item 13. To the Department of Commerce and Insurance in Section 1, Title III-11, and to adjust federal aid and other departmental revenue accordingly.

SECTION 35. The Commissioner of Finance and Administration is authorized to make the following transfers from the appropriations made in this act:

Item 1. In Sections 1 and 4 for the IV-D Child Support Program, a reallocation of positions and funds between the District Attorneys General and the Department of Human Services is authorized.

Item 2. From the appropriations made to the Department of Human Services and the TennCare Program in Section 1, for eligibility determination for the Medicaid Program and various federal family assistance programs, the Commissioner of Finance and Administration is authorized to reallocate appropriations between the department and program, and to adjust federal and departmental revenue estimates accordingly, in order to reflect actual costs of eligibility determination services and Medicaid case management services.

Item 3. The appropriations made to the TennCare Program under Section 1 are available for transfer between appropriation items and federal aid and other departmental revenue appropriations may be adjusted accordingly.

Item 4. The appropriations made in Section 1, Title III-21, Miscellaneous Appropriations, are authorized to be allocated and transferred to the appropriate organizational units and programs of state government by the Commissioner of Finance and Administration.

In addition to the appropriations made in Section 4 of this act, there is hereby appropriated to the organizational units and programs of state government all federal aid funds and departmental revenue earnings associated with the allocation and transfer of Miscellaneous Appropriations authorized under the preceding paragraph in this item.

Item 5. To the Judicial Branch in Section 1, Title II, but excluding appropriations for Indigent Defendants Counsel, Verbatim Transcripts and Board of Law Examiners.

Item 6. To the Department of Correction in Section 1, Title III-7, and to adjust the number of authorized positions within the department's authorized level.

Item 7. To the Department of Mental Health and Mental Retardation in Section 1, Title III-14, and to adjust federal aid and other departmental revenue accordingly.

Item 8. To the Department of Military in Section 1, Title III-15, and to adjust federal aid and other departmental revenue accordingly.

Item 9. To the Department of Human Services in Section 1, Title III-17, and to adjust federal aid and other departmental revenue accordingly.

Item 10. To the Department of Revenue in Section 1, Title III-18, to allocate development costs of the Revenue Integrated Tax System (RITS) and to adjust departmental revenue accordingly.

Item 11. To the Department of Children's Services in Section 1, Title III-22, and to adjust federal aid and other departmental revenue accordingly.

SECTION 36. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. Subject to the availability of funding at June 30, 1997, any unexpended balances of appropriations made under Chapter 1083, Public Acts of 1996, other acts of this General Assembly or acts by previous General Assemblies, listed

in this section are hereby reappropriated to be expended in the 1997-98 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 1997. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration. Unless otherwise noted, the unexpended balances reappropriated are authorized under Chapter 1083, Public Acts of 1996, and they are the appropriations made:

Item 1. For data processing services, systems development and data processing equipment purchases and leases. This appropriation is subject to approval by the Information Systems Council.

Item 2. Notwithstanding any provision of law to the contrary, all funds appropriated to the Legislative Branch which remain unobligated and unexpended at the end of any fiscal year, shall not revert to the general fund but shall be carried forward in a reserve to be expended in accordance with the approval of the Speaker of the House of Representatives and the Speaker of the Senate. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Item 3. To the Judicial Branch in Section 1, Title II, but excluding the appropriations for Indigent Defendants' Counsel and Verbatim Transcripts. The reappropriated funds shall be expended for the study and implementation of an integrated computer system for the Tennessee court system under the provisions of Chapter 1005, Public Acts of 1994. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Item 4. To the Secretary of State for publication of the Blue Book under Section 1, Title III-1, Item 3.3.

Item 5. The funds earmarked from the State Board of Equalization Loan Fund in Item 49 of Section 11 of Chapter 916 of the Public Acts of 1982, shall remain available during fiscal year 1997-98 for expenditure pursuant to the provisions of Tennessee Code Annotated, Section 67-5-1601.

Item 6. Notwithstanding any provision of law to the contrary, funds previously appropriated to the Jackson Arts Council for the West Tennessee Art Center are reappropriated for such purpose and shall not revert to the general fund on June 30, 1997 or any subsequent June 30 until expended in accordance with the original appropriation.

Item 7. To the Department of Environment and Conservation, Land Reclamation, in Section 1, Title III-5, Item 18.

Item 8. To the Tennessee Historical Commission in Section 36, Item 9 for the Bicentennial Encyclopedia and for the highway markers guidebook, the historical sites passport book, state history manuscripts publication and the historical markers project.

Item 9. To the Tennessee Higher Education Commission in Section 1, Title III-10 for desegregation activities and community service grant funds.

Item 10. To the Department of Transportation in Section 1, Title III-26, Item 2, for equipment purchases.

Item 11. To the Department of Transportation for any appropriations which are reserved at June 30, 1997.

Item 12. To the Department of State for bookmobile repair or replacement under Section 12, Item 719.

Item 13. Those funds received by the Tennessee Advisory Commission on Intergovernmental Relations from the Tennessee State Revenue Sharing Act for the inventory of public infrastructure needs and other purposes which are unobligated and unexpended at the end of the 1996-1997 fiscal year shall not revert, but shall be carried forward until expended for such purpose.

Item 14. For services to children for whose education the state is directly responsible and the funds were paid to the Department of Children's Services under the provisions of Tennessee Code Annotated, Section 49-3-363.

Item 15. To the Tennessee Student Assistance Corporation in Section 1, Title III-10, an amount not to exceed \$22,000.00 may be carried forward at June 30, 1997.

SECTION 37. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. Subject to the availability of revenue at June 30, 1997, any unexpended balances of appropriations made under Chapter 1083, Public Acts of 1996, other acts of this General Assembly or acts by previous General Assemblies for benefit of an agency of local government or a third-party nonprofit organization for which there is a grant agreement/contract approved by the Commissioner of Finance and Administration are hereby reappropriated to be expended in the 1997-98 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 1997. The Commissioner of Finance and Administration shall provide a list of any unexpended balances carried forward to the Director of Accounts and to the Division of State Audit. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration.

SECTION 38. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. There is hereby appropriated the following amounts which shall be in addition to the appropriations provided under Chapter 1083, Public Acts of 1996.

	Judicial		
1.	Indigent Defendant's Counsel	\$	750,000.00
	Department of Correction		
1.	Northwest Correctional Center	\$	1,150,000.00
	Department of Education		
1.	Career Ladder	\$	2,600,000.00
	TOTAL	\$	4,500,000.00

The Commissioner of Finance and Administration is authorized to allot and transfer these appropriations to the appropriate expenditure account within each department, agency or branch of government and to adjust authorized positions accordingly. The Commissioner of Finance and Administration is further authorized to adjust federal aid and departmental revenues accordingly.

SECTION 39. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. There is hereby appropriated from departmental revenues and federal aid funds the amounts hereinafter set out:

1996-97		
1997-98		
District Attorneys General		
1. Executive Director	\$ -	\$
75,000		
Department of State		
1. Library and Archives	\$ 20,000	\$
20,000		
2. Regional Libraries		120,100
Total Department of State	\$ 140,100	\$
20,000		
Comptroller of the Treasury		
1. Municipal Audit	\$	-
\$ 50,000		
Commissions		
1. Tennessee Commission on Children and Youth	\$ 70,500	\$
165,200		

Agriculture		
1. Plant Industries	\$	47,400
\$ 50,600		
2. Forestry		-
86,000		
3. Agricultural Resources		-
107,000		
Total Agriculture	\$	47,400
\$ 243,600		
Environment and Conservation		
1. Conservation Administration	\$	323,000
323,000		
2. Tennessee State Parks		1,650,000
-		
3. Natural Heritage		180,000
180,000		
4. Construction Grants and Loans		3,500,000
3,000,000		
Total Environment and Conservation	\$	5,653,000
3,503,000		
Education		
1. Improving School Programs	\$	25,000
50,000		
2. Goals 2000		-
3,460,000		
Total Education	\$	25,000
\$ 3,510,000		
Higher Education		
1. Tennessee Student Assistance Corporation	\$	500,000
500,000		
Commerce and Insurance		
1. Fire Prevention	\$	12,700
\$ 25,500		
Mental Health and Mental Retardation		
1. Developmental Disabilities Council	\$	112,700
112,700		
Military		
1. Tennessee Emergency Management Agency	\$	53,700
53,700		
2. Armories Maintenance		1,000,000
2,000,000		
Total Military	\$	1,053,700
2,053,700		
Health		
1. Health Services	\$	60,500
\$ 60,500		

2. Maternal and Child Health	9,100	
9,100		
3. Division of Special Services	18,600	
18,600		
4. Communicable and Environmental Disease Services	1,214,000	
2,416,000		
5. Health Services Administration Medical Programs	600	
600		
6. Population Based Services	1,033,900	
1,045,300		
7. Women, Infants, and Children (WIC)	8,636,900	
8,636,900		
8. Local Health Services	6,193,900	
6,206,100		
Total Health	\$17,167,500	
\$18,393,100		

Human Services

1. Community Services	\$ 4,398,500	\$
5,226,600		
2. Vocational Rehabilitation	68,100	
64,500		
3. Disability Determination	6,500	
36,900		
Total Human Services	\$ 4,473,100	
\$ 5,328,000		

Revenue

1. Office Audit & Examination Division	\$ 235,200	\$
-		

Children's Services

1. Administration	\$ -	
\$ 32,800		
2. Family Support Services	244,300	
213,000		
3. Custody Services	-	
8,055,500		
4. Adoption Services	61,100	
50,000		

5. Tennessee Preparatory School	107,600
113,300	
Total Children's Services	\$ 413,000
8,464,600	
 TOTAL	 \$29,903,900
\$42,444,400	

The Commissioner of Finance and Administration is authorized to establish 20 full-time positions and 1 part-time position and to allocate them to the appropriate organizational units. At June 30, 1997, any unexpended balances of departmental revenues and federal aid funds appropriated in this section are hereby reappropriated in the fiscal year beginning July 1, 1997.

SECTION 40. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. There is hereby appropriated a sum sufficient to recognize any accrued liability of the state and any obligations between state agencies at June 30, 1998 and federal aid and departmental revenues may be adjusted accordingly. This appropriation is subject to certification of the accrued liability and obligations between state agencies by the Commissioner of Finance and Administration to the State Comptroller.

SECTION 41. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. All savings of appropriations made in this act for employer FICA taxes as a result of employee participation in any cafeteria plan established for state employees, including employees of institutions of higher education, are hereby appropriated as follows:

(a) An amount sufficient to implement and pay the cost of administering the cafeteria plan established for such employees is hereby appropriated for that purpose. From the appropriation made in this item, the State Treasurer, with the approval of the Commissioner of Finance and Administration, is authorized to fund recurring and nonrecurring costs of administering the cafeteria plan established for such employees; and

(b) All other savings shall be allocated for the purpose of assisting such employees in obtaining day care services; for the purpose of enhancing group insurance programs; and for the purpose of providing other programs and services designed to benefit such employees. The Commissioner of Finance and Administration, with the advice and consent of the State Treasurer and the Commissioner of Personnel, is authorized to allocate funds as he determines to the agencies involved with the administration of such programs.

Item 2. The State Library and Archives Management Board in its discretion is hereby authorized to reallocate any remaining funds from the \$906,600.00 appropriated in Chapter 1037, Section 12, Item 124 of the Public Acts of 1988, for library construction at specific locations across the state, where projects have not developed, to other unspecified locations where future library construction projects may develop.

Item 3. There is hereby appropriated from the State Office Buildings and Support Facilities Revolving Fund (FRF) reserves, a sum sufficient amount equal

to the difference between the cost for operation of FRF facilities as defined under the Office of Management and Budget's Circular A-87 and the amount that would have been billed and paid by the federal government at the FRF market lease rates. The Commissioner of Finance and Administration is authorized to distribute said appropriation to departments, agencies, boards, and commissions to fund any difference between reimbursements received from the federal government utilizing A-87 allowable costs and the FRF market lease rates. In the event that A-87 allowable costs exceed the FRF rates, any difference collected from the federal government shall be paid into the fund.

Item 4. There is hereby appropriated a sum sufficient from earmarked and/or dedicated agency revenues and reserves to provide for the costs of implementing the state's underground storage tanks program. The Commissioner of Finance and Administration shall allocate the costs to the individual agencies and establish the appropriations required from revenues and reserves available to the individual agencies.

Item 5. There is hereby appropriated a sum sufficient from general fund interest earnings for the purpose of funding the State of Tennessee's liability under IRS regulations for arbitrage interest earnings on proceeds from general obligation debt.

Item 6. There is hereby appropriated a sum sufficient from general fund interest earnings for the purpose of funding the state's liability for the exchange of interest with the federal government as provided for in the Cash Management Act of 1990.

Item 7. There is hereby appropriated a sum sufficient to provide for a consultant's services in review of accounts receivable management for the State of Tennessee and for the implementation of those recommendations to the extent the recommendations are approved by the Commissioner of Finance and Administration. It is the intent of the legislature that said appropriation shall be funded from revenues collected from accounts receivable. The Commissioner of Finance and Administration may establish such positions as may be required to cost-effectively implement such recommendation.

Item 8. Any unexpended real estate fees collected by the real property management division in the Department of Finance and Administration shall not revert to the general fund at June 30, 1998 but shall be carried forward in a reserve.

Item 9. From the unexpended balances of the appropriations made under Section 1, Title III-21 of this act, there is hereby appropriated a sum not to exceed \$95,000.00 to reimburse the U.T. Center for Business and Economic Research for research assistance to the Department of Finance and Administration.

Item 10. The Commission on Human Rights is authorized to expend up to \$157,100 of interdepartmental revenues received from federal funds available to departments and agencies, as appropriated herein, for carrying out its statutory responsibilities as the state agency responsible for administration of Title VI of the U.S. Civil Rights Act as provided by Chapter 381, Public Acts of 1995.

Item 11. For the purpose of assuring that penalty and interest obligations associated with late payment of taxes do not impair the ability of hospitals to

serve low-income patients, there is appropriated a sum sufficient from said penalty and interest revenue to the Department of Health to make grants to hospitals for the purposes of defraying excess costs as a result of penalty and interest payments incurred on state service taxes, provider taxes and fees. A hospital grant shall be subject to approval by the Commissioners of Health and Finance and Administration and shall be subject to a plan, satisfactory to the state, for payment of taxes due.

Item 12. Subject to the financial reporting requirement that the value of federal food stamps be recognized in the state's accounting system, there is hereby appropriated a sum sufficient from federal funds to recognize the value of food stamps. This appropriation is subject to approval by the Comptroller of the Treasury and the Commissioner of Finance and Administration.

Item 13. There is hereby appropriated a sum sufficient to the Department of Human Services from the earmarked funds allocated to the Domestic Violence Community Education Fund under the provisions of Tennessee Code Annotated, Section 36-3-616.

Item 14. There is hereby appropriated a sum sufficient to the Department of Revenue to pay interest, attorney fees and other costs which are due with certain taxpayer refund payments.

Item 15. In the fiscal year ending June 30, 1998 there is appropriated a sum sufficient to the Department of Revenue from the additional revenues generated and earmarked under the provisions of the "Motor Carrier Funding and Tax Administration Act of 1993", Chapter 142, Public Acts of 1993, for the cost of development, implementation, maintenance, and operation of the Tennessee International Fuel Tax Agreement (IFTA) and Motor Carrier System Project.

Item 16. In addition to the appropriations made in Section 4 of this act to the Department of Transportation, there is hereby appropriated a sum sufficient from local government funds, federal aid and other departmental revenues in the fiscal year ending June 30, 1998.

Item 17. In addition to the appropriation made in Section 1, Title III-26, Item 3 for Highway Maintenance, and Item 5.4 for State Highway Construction in Chapter 1083, Public Acts of 1996, there is further appropriated such amount as the Commissioner of Finance and Administration shall determine is available from tax revenues allocated to the highway fund and from the highway fund balance.

Item 18. In addition to the appropriation made in Section 1, Title III-26, Item 5.6 Air, Water and Rail, there is appropriated a sum sufficient from earmarked revenues subject to the availability of those revenues as determined by the Commissioner of Finance and Administration.

Item 19. To provide state matching funds for an increase in the federal grant to the Tennessee Bureau of Investigation, Medicaid Fraud Control Unit, the Commissioner of Finance and Administration is authorized to transfer state appropriation from TennCare Administration to the TBI in an amount not to exceed \$99,100 in the fiscal year ending June 30, 1998.

Item 20. From the revenues collected by the Department of Environment and Conservation at state park facilities, a sum equal to six percent of said revenues shall be allocated at the end of each quarter of the fiscal year to be

used for maintenance of state parks facilities, including furniture, fixtures and equipment. Any such funds that are unencumbered or unexpended at the end of the fiscal year shall not revert to the state's general fund, but shall be carried forward until expended for maintenance of state park facilities.

Item 21. Section 29, Item 12 of Chapter 1083, Public Acts of 1996, which provides that any unexpended appropriation made to the Tennessee Student Assistance Awards shall not revert at June 30, 1997, is hereby repealed.

Item 22. In addition to the appropriations made in Section 1 of this act, there is appropriated a sum sufficient to the Wildlife Resources Agency from its own revenues and reserves to fund the capital outlay projects recommended on page A-74 of the 1997-98 Budget Document.

This appropriation, however, shall be reduced by six hundred fifty thousand dollars (\$650,000) representing the cost of the Davidson County Firing Range Project as this project is being funded through federal funds.

Item 23. In the fiscal year ending June 30, 1997 the carry forward and reappropriation of unexpended appropriations for major maintenance, authorized in Section 2, Item 1 of this act, shall be subject to approval by the Commissioner of Finance and Administration based upon the availability of revenues and reserves in the general fund at June 30, 1997.

Item 24. From the funds appropriated by this act, the Commissioner of Finance and Administration is authorized to transfer a sum sufficient to the Department of General Services, Division of Motor Vehicle Management internal service fund for the acquisition of motor vehicles.

Item 25. The appropriation made to the Department of Finance and Administration in Section 12, Item 329 of Chapter 1083, Public Acts of 1996, is hereby reappropriated to the Department of Children's Services for the purpose of making grants to South Memphis Youth Clubs in the amount of five thousand dollars (\$5,000) each to Mt. Gilead Youth Club, Pentacostal Youth Club, Cane Creek Youth Club, Berean Youth Club, Shiloh Youth Club, and Columbus Youth Club and in the amount of two thousand five hundred dollars (\$2,500) each to Pilgrim Rest Youth Club, Tree of Life Youth Club, St. Mark Youth Club, New Hickory Hill Youth Club, St. Peter Youth Club, New Bethel Youth Club, Pilgrim Rest Youth Club and Greater White Stone Youth Club.

Item 26. The appropriation made to the Department of Commerce and Insurance in Section 12, Item 396 of Chapter 1083, Public Acts of 1996, is hereby reappropriated to the Department of Finance and Administration for the purpose of making grants to volunteer fire departments in Cocke and Greene counties in the amount of three thousand dollars (\$3,000) each to Grassy Fork Community Fire Department, Del Rio Volunteer Fire Department, Parrottsville Volunteer Fire Department, Cosby Volunteer Fire Department, and Centerview Volunteer Fire Department and in the amount of two thousand dollars (\$2,000) each to Caney Branch Volunteer Fire Department, Cedar Creek Volunteer Fire Department, McDonald Volunteer Fire Department, Mosheim Volunteer Fire Department and St. James Volunteer Fire Department.

Item 27. The appropriation made to the Department of Education in Section 12, Item 398 of Chapter 1083, Public Acts of 1996, is hereby reappropriated to the Department of Finance and Administration for the purpose of making grants to the parent-teacher organizations or comparable

organizations in Cocke and Greene counties in the amount of twenty thousand dollars (\$20,000) each to the organization at Cocke County High School and at Cosby High School and in the amount of five thousand dollars (\$5,000) each to the organization at West Greene High School and at South Greene High School.

Item 28. The appropriation made to Carter County in Section 12, Item 609 of Chapter 1083, Public Acts of 1996, is hereby reappropriated to Carter County for the purpose of making grants in the amounts of a) four thousand dollars (\$4,000) for the Doe River Gorge Camp, b) six thousand dollars (\$6,000) to the Elk Mills Ruritan Club, and c) ten thousand dollars (\$10,000) to the Elizabethton National Little League for field renovation.

Item 29. From funds available in the claims award fund, the State Treasurer is authorized to reimburse Tennessee 200 for the actual cost of insuring the liabilities of the Bicentennial Train, such amount not to exceed sixty-three thousand, one hundred forty-two dollars (\$63,142).

Item 30. In the fiscal year ending June 30, 1997 there is hereby appropriated from the public utility inspection, control and supervision fees collected by the Tennessee Regulatory Authority, a sum not to exceed seven hundred fifty thousand dollars (\$750,000) to the general fund. In the fiscal year ending June 30, 1998, there is hereby appropriated from the public utility inspection, control and supervision fees collected by the Tennessee Regulatory Authority, a sum not to exceed seven hundred fifty thousand dollars (\$750,000) to the general fund. The funds transferred pursuant to the provisions of this item shall not exceed the actual expenditures on an annual basis.

Item 31. From the funds appropriated to the Department of Human Services in Section 1, Title III-17, of Chapter 1083, Public Acts of 1996, the Commissioner of Finance and Administration is authorized to transfer to the Department of Children's Services a sum not to exceed \$15,652,600. This transfer of funds is necessary in order to reflect a change in funding of the Emergency Assistance Program due to the implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The Commissioner of Finance and Administration shall adjust federal aid departmental revenue estimates accordingly in the Department of Human Services and in the Department of Children's Services.

Item 32. From the appropriations made in Sections 1 and 4 of this act and in Sections 1 and 4 of Chapter 1083, Public Acts of 1996, for the purpose of reimbursing the Office of Information Resources (OIR) for services provided, the Commissioner of Finance and Administration is authorized to transfer appropriations between departments and agencies in recognition of a reduction in certain OIR rates and the cost of a technical salary adjustment plan applicable to employees of OIR and user agencies.

Item 33. From the funds appropriated to the Department of Economic and Community Development, there is earmarked the sum of one hundred forty-two thousand three hundred eighty dollars (\$142,380) for the sole purpose of restoring to the development districts the funds cut by the administration from the fiscal year 1997 budget thus restoring the full statutory funding levels appropriated by the General Assembly for the state's nine development districts. Notwithstanding the provisions of this or any other law to the contrary, neither the Department of Economic and Community Development nor the Greater Nashville Regional Council shall be required to submit a plan of activity to the

Commissioner of Finance and Administration as a prerequisite for disbursal of the sum, or any portion thereof, appropriated by this item.

Item 34. The appropriations made in this act specifically do not include funds for the statutorially authorized salary increases contained in Tennessee Code Annotated, Section 4-7-201 and Section 4-7-205, for certain commissioned members and employees of the Department of Safety." Provided, however, that such commissioned members and employees shall receive the statutorially authorized salary increase contained in Tennessee Code Annotated, Section 4-7-201 and Section 4-7-205 in lieu of the one and one-half percent (1.5%) salary increase given to general state employees, only if state employees receive such salary increase of at least one and one-half percent (1.5%) pursuant to the provisions of this act.

Item 35. In the fiscal year ending June 30, 1997, any remaining assets of the Tennessee Comprehensive Health Insurance Pool (TCHIP) shall be transferred to the general fund.

Item 36. In each of the fiscal years ending June 30, 1997, and June 30, 1998, there is appropriated a sum not to exceed \$20,000.00 from asbestos claims recoveries to reimburse the Office of the Attorney General and Reporter for expenses incurred to pursue the claims.

Item 37. Any unexpended revenues available at June 30, 1997, for benefit of the Tennessee Ocoee Development Agency (TODA) are hereby reappropriated to TODA to be expended in the 1997-98 fiscal year. From such funds, ten thousand dollars (\$10,000) shall be allocated for preparation and promotion for the world cup event on the Ocoee River.

Item 38. There is hereby appropriated a sum sufficient to the Department of Environment and Conservation from funds of the former Tennessee Elk River Development Agency (TERDA) to implement the provisions of Chapter 816, Public Acts of 1996.

Item 39. The unexpended balance of the appropriation made to the Department of Financial Institutions to implement Chapter 718, Public Acts of 1996, is hereby reappropriated to the department to be expended in the 1997-98 fiscal year.

Item 40. There is hereby appropriated to the American Red Cross the sum of \$5,000.00 for flood relief efforts in West Tennessee this year. This appropriation is made from funds donated to the State of Tennessee by the Consulate General of Japan in New Orleans for damages caused during the 1997 floods. The Consulate General conveyed a condolence from the Japanese Foreign Minister with the donation.

Item 41. There is hereby appropriated a sum sufficient to the Department of Environment and Conservation, West Tennessee River Basin Authority, from funds provided by the counties within the authority area.

Item 42. In the fiscal years ending June 30, 1997, and June 30, 1998, there is hereby appropriated a sum sufficient from the Transportation Equity Fund to the Department of Transportation, Division of Air, Water and Rail. This appropriation is subject to the availability of revenue in the fund.

Item 43. There is hereby appropriated from dedicated revenues the sum of \$130,000.00 to the Department of Commerce and Insurance, Division of Regulatory Boards, Real Estate Education and Recovery Fund, to provide for court-ordered payments and to print and distribute to all licensees a manual of laws and rules and regulations.

Item 44. From the handgun carry permit fees paid under the provisions of Tennessee Code Annotated, Section 39-17-1351 and the provisions of House Bill No. 1055 / Senate Bill No. 1170, there is hereby appropriated a sum sufficient to the Department of Safety and to the Tennessee Bureau of Investigation to implement the provisions of the handgun carry permit law. This appropriation is subject to approval by the Commissioner of Finance and Administration and the Commissioner is authorized to establish positions to implement the law. Any unexpended permit fees at June 30, 1997, are hereby reappropriated to be expended in the 1997-98 fiscal year and shall be carried forward in a reserve into the fiscal year beginning July 1, 1997.

Item 45. From the appropriations made in Section 1, Title III-22, to the Department of Children's Services, the sum of \$804,900.00 shall be transferred to TennCare to provide the state match for additional payments to the Department of Children's Services made under Section 39 of this act. Federal aid funds in TennCare shall be adjusted accordingly.

Item 46. Subject to the passage of Senate Bill No.1637 / House Bill No.1399, there is hereby appropriated from dedicated revenues the sum of \$1,500,000.00 to the Department of Safety to establish additional uniformed highway patrol officer positions and to provide for training and equipment.

Item 47. Subject to approval by the Commissioner of Finance and Administration and the Comptroller of the Treasury, the loan agreement made pursuant to Section 41, Item 31 of the 1989 Appropriations Act, and all subsequent loan agreements made with the Tennessee Rehabilitative Initiative in Corrections Board (TRICOR) and its predecessor organizations, are hereby cancelled and forgiven effective June 30, 1997."

Item 48. From the funds appropriated to the facilities revolving fund, there is earmarked the sum of twenty thousand dollars (\$20,000) to be allocated to the General Assembly for the sole purpose of remediation of the electromagnetic field problem in office space in the War Memorial Building.

Item 49. The appropriation made to Jefferson County in Section 12, Item 587 of Chapter 1083, Public Acts of 1996 is hereby reappropriated to Jefferson County for the purpose of making repairs and improvements to the high school track, field, soccer field and other facilities.

Item 50. It is the legislative intent that the sum of nineteen million forty-six thousand dollars (\$19,046,000) is to be carried forward to be expended in the 1997-98 fiscal year and the Commissioner of Finance and Administration is authorized to establish a reserve in such amount as of June 30, 1997.

Item 51. No funds appropriated to the Tennessee Historical Commission or any other state entity by the provisions of this act shall be used for contracting with an out-of-state person, entity or government to administer the Tennessee Main Street Program.

SECTION 42.

Item 1. Notwithstanding any provision of the law to the contrary, no law of general application which imposes increased expenditure requirements on cities and counties in excess of one million dollars (\$1,000,000.00) shall take effect unless the state share of the cost of such law is specifically appropriated by the provisions of this act.

Item 2. Notwithstanding any provision of law to the contrary, no law of general application which requires expenditures in excess of one hundred thousand dollars (\$100,000) shall take effect unless the funds required to be expended by such law are specifically appropriated by the provisions of this act, but the required first year's funding for any law of general application which requires expenditures of one hundred thousand dollars (\$100,000) or less shall be deemed to have been appropriated through the provisions of this act.

SECTION 43. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. Unexpended appropriations in the amount of \$42,000,000.00 shall be transferred from the debt service fund to the general fund in the fiscal year ending June 30, 1997.

Item 2. In the fiscal year ending June 30, 1997, tax revenues allocated to the debt service fund in excess of \$300,600,000.00 shall be transferred to the general fund.

Item 3. From the funds appropriated for higher education purposes under Section 1, Title III-10 of Chapter 1083, Public Acts of 1996, the sum of \$20,000,000.00 shall revert to the general fund balance at June 30, 1997. The amounts reverting from each appropriation item shall be in accord with a schedule to be provided by the Executive Director of the Tennessee Higher Education Commission to the Commissioner of Finance and Administration and to the Chairmen of the Education Committees and the Finance, Ways and Means Committees of the Senate and House of Representatives.

Item 4. From the unexpended balance of revenue received from the sale of land to the Metropolitan Nashville Airport Authority, a sum not to exceed \$2,200,000.00 shall be transferred from the capital outlay fund to the general fund in the fiscal year ending June 30, 1997.

Item 5. Subject to the passage of Senate Bill No. 1820 / House Bill No. 1573, the sum of \$1,600,000.00 shall be transferred from the Health Access Incentive Account to the general fund in the fiscal year ending June 30, 1997.

Item 6. Subject to the passage of Senate Bill No. 1938 / House Bill No. 1795, in the fiscal year ending June 30, 1997, the sum of \$1,805,132.59 shall be transferred to the general fund from the balance of the surcharge of four tenths of one percent (.4%) imposed on workers' compensation insurance and earmarked for the administration of the Tennessee Occupational Safety and Health Act (TOSHA).

Item 7. The appropriation of \$8,000,000.00 made to the Tennessee Housing Development Agency (THDA) in Section 1, Title III-2, Item 2.9 of Chapter 1083, Public Acts of 1996, is hereby reduced to the amount of \$6,000,000.00. Subject to the passage of Senate Bill No. 1943 / House Bill No. 1804, it is the legislative intent that state tax revenues allocated to the THDA in

excess of \$6,000,000.00 in the 1996-97 fiscal year shall be reserved at June 30, 1997, to be transferred to the State's General Fund in the 1997-98 fiscal year.

Item 8. In the fiscal year beginning July 1, 1997, there is hereby appropriated the sum of \$6,000,000.00 to the Tennessee Housing Development Agency (THDA). Subject to the passage of Senate Bill No. 1943 / House Bill No. 1804, it is the legislative intent that state tax revenues allocated to the THDA in excess of \$6,000,000.00 in the 1997-98 fiscal year be transferred to the State's General Fund in the 1997-98 fiscal year.

Item 9. Subject to passage of House Bill 1804 / Senate Bill 1943, it is the legislative intent to transfer funds from the Tennessee Housing Development Agency to the State General Fund in accordance with the provisions of such act.

Item 10. From the appropriations made in Sections 1 and 4 of this act for the purpose of paying premiums to the State's Claims Award Fund, the Commissioner of Finance and Administration shall reduce the appropriations to match the premium schedule approved by the State Board of Claims for the 1997-98 fiscal year.

Item 11. The appropriation of \$10,000,000.00 made in Section 1, Title III-21, Item 13 for State Employees Salary Adjustments is intended to address employee compensation issues. Prior to allotting this appropriation under the provisions of Section 35, Item 4 of this act, the Commissioner of Personnel and the Commissioner of Finance and Administration shall submit to the Chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives a plan for the allocation of this appropriation to state agencies.

Item 12. In the fiscal year ending June 30, 1997, there shall be reserved or designated a sum in the general fund balance to provide for nonrecurring appropriations and other appropriations intended to be funded in the 1997-98 fiscal year from the general fund balance at June 30, 1997. The Commissioner of Finance and Administration shall determine the amount to be reserved or designated.

Item 13. The appropriation made to the career ladder program by Section 1, Title III-9, Item 2.1b, is reduced by four million dollars (\$4,000,000). One million dollars (\$1,000,000) of this amount shall come from funds for administration and testing. Three million dollars (\$3,000,000) of this amount shall come from funds allocated for extended contracts, but no such reduction shall affect extended contracts providing direct reimbursements to teachers in qualified extended contract programs involving student contacts or summer school.

Item 14. It is the legislative intent to recognize a base over-appropriation in the general fund of \$70,000,000 in 1996-97 and in 1997-98. Pursuant to the provisions of Tennessee Code Annotated, Section 9-6-120(b), it is the legislative intent to recognize an additional over-appropriation of \$37,500,000 in 1996-97 through reduction in expenditures to offset the general fund revenue shortfall in 1996-97.

Further, it is the legislative intent that the amount of the over-appropriation upon which initial budget estimates are made should reflect that amount of appropriations to agencies in the general fund which, through normal operations, would be expected to be unobligated at the end of the fiscal year. To the extent practical, from state funds appropriated herein which may become

available due to overcollections of federal or other non-state revenue, the Commissioner of Finance and Administration is urged and authorized to reduce the over-appropriation for 1997-98 to an amount not less than \$50,000,000. The Commissioner of Finance and Administration is urged to present the 1998-99 budget upon the basis of a general fund over-appropriation not to exceed \$50,000,000.

SECTION 44. There is hereby appropriated a sum sufficient from the State Office Buildings and Support Facilities Revolving Fund to provide for expenditures authorized under Title 9, Chapter 4, Part 9 of the Tennessee Code Annotated. There is appropriated a sum sufficient to the revolving fund in recognition of the lease cost of space for which recovery is not in the state's best interest.

SECTION 45. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

1. There is hereby created a Capital Projects Account in the Division of Office of Information Resources for the administration of the Information Systems Capital Projects Budget.

This account is established to provide for:

- (a) Implementation of the statewide Management Information Systems Plan;
 - (b) Ability to separate the operational budget of the Office of Information Resources and the system development projects contained in the MIS Plan; and
 - (c) Financial control of the system development projects, including equipment replacement for the various agencies of state government.
2. There is hereby authorized the transfer of those sums appropriated for information systems capital projects in Sections 1 and 4 and in Section 36, Item 1 of this act. Federal aid funds and other departmental revenues shall be adjusted accordingly to reflect the transfer of state appropriations.
3. The Commissioner of Finance and Administration is authorized to transfer to the Capital Projects Account any appropriations made in Sections 1 and 4 of this act resulting from operating savings derived from implementation of information systems funded through this section.
4. From the appropriations made for systems development and other data processing activities in this act and other acts of the legislature, the Commissioner of Finance and Administration is authorized to establish and charge the costs of information systems analyst positions and other data processing positions to said appropriations. The Commissioner of Finance and Administration is further authorized to transfer between departments and agencies existing information systems analysts positions, other data processing positions and the funding provided in this act for transferred positions. This appropriation is subject to approval by the Information Systems Council.

5. Expenditure of any funds, subject to the jurisdiction of the Information Systems Council, appropriated for systems development, the purchase of computer software or the purchase of computer hardware shall be subject to the policies of such Council.

SECTION 46. The Commissioner of Finance and Administration is authorized to develop and implement procedures for establishing an "Equipment Revolving Fund" to provide a stable recurring revenue source to meet the requirements for replacement equipment and additional equipment needs of state agencies and departments.

SECTION 47. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. Notwithstanding the provisions of Chapter 1083, Public Acts of 1996, to the contrary, to the extent state revenues and/or other funds made available to the general fund for the fiscal year ending June 30, 1997, exceed the requirements of such fund for the year ending June 30, 1997, the Commissioner of Finance and Administration is authorized to establish the Revenue Fluctuation Reserve in the amount of \$101,400,000; provided, however, that if additional revenues and/or other funds made available to the general fund exceed such amount, the commissioner is authorized to increase such reserve. To the extent the Revenue Fluctuation Reserve is established in an amount at least equal to \$101,400,000, the commissioner is further authorized to establish as of June 30, 1997, a Reserve for 1998-99 Appropriations.

SECTION 48. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

Item 1. The Commissioner of Finance and Administration is authorized to transfer all federal and state health care funds, except those funds appropriated to support the State Group Insurance Program, the Local Education Insurance Program and the Local Government Health Insurance Program, to the TennCare Program for the purpose of implementing any program approved by waiver, state plan amendment and/or state and federal legislation pursuant to the provisions of health care services to Tennesseans designated as eligible by TennCare. In addition, the TennCare Program is authorized to use as a funding source 5% of gross patient revenues in a community, as designated by the community health agency districts, as charity care, as well as local government appropriations and any co-payments collected under the program even if such funds are not collected by the state so long as they are applied as a discount or other reduction in determining rates under the TennCare Program. In addition, any premiums collected by the TennCare Program are explicitly authorized to be appropriated to the program for the purpose of carrying out the provisions of TennCare.

The Commissioner of Finance and Administration is further authorized to transfer state funds, as required, from TennCare to Mental Health services, Mental Retardation services, other Health services, the Tennessee Comprehensive Health Insurance Program System (TCHIPS) and the Children's Services program.

Item 2. For fiscal year 1997-98, in addition to all other appropriations to the TennCare Program, the Commissioner of Finance and Administration is authorized to use certified public expenditures and/or intergovernmental transfers from all government-related TennCare service providers for the purpose of matching funds under federal law for the TennCare Program. The use of the

certified public expenditures and/or intergovernmental transfers shall be in accordance with federal law and regulations.

Item 3. Subject to the availability of funding at June 30, 1997, the Commissioner of Finance and Administration is authorized to carry forward into the fiscal year beginning July 1, 1997 any unexpended balances of appropriations made under Chapter 1083, Public Acts of 1996, for TennCare and such funds as are carried forward are hereby reappropriated to be expended in the 1997-98 fiscal year.

SECTION 49. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it.

1. Notwithstanding any provisions of the law to the contrary, the Commissioner of Finance and Administration is authorized to establish an Electronic Benefits Transfer system in cooperation with the member states of the Southern Alliance of States.

2. Notwithstanding any provisions of the law to the contrary, the Commissioner of Finance and Administration is authorized to contract with a provider of service selected by the Southern Alliance of States or by Tennessee request for proposal (RFP).

3. Notwithstanding any provisions of the law to the contrary, the Commissioner of Finance and Administration and the Commissioner of Human Services are authorized to establish the necessary rules and policies to implement a pilot Electronic Benefits Transfer system in three counties in Tennessee.

SECTION 50. The Tennessee Code Commission is requested to place an appropriate, permanent note following the codification of any public act which is codified and which has not received constitutionally required first year's funding through the provisions of this act.

SECTION 51. In addition to the appropriations made in Sections 1 and 38 of this act there is hereby appropriated to the:

Item 1. Department of Economic and Community Development the sum of \$35,000.00 to pay dues to the Southern States Energy Board and the sum of \$61,000.00 to pay an increase in dues to the Appalachian Regional Commission (ARC).

Item 2. Department of Education the sum of \$35,000.00 to increase the grant to the Holocaust Commission.

Item 3. Department of Commerce and Insurance the sum of \$150,000.00 to pay bonus supplements to firemen as authorized in Section 7, Item 11 of this act.

Item 4. Department of Health the sum of \$150,000.00 to establish five (5) additional positions for the audit section.

Item 5. Department of Finance and Administration the sum of \$47,000.00 to fund a position for establishing a Service Vendor Registry System intended to foster the state's utilization of minority and small businesses and promote competition in service contracting.

Item 6. Department of Human Services the sum of \$29,000.00 to establish one (1) adult day care program specialist position.

Item 7. Subject to the passage of Senate Bill No. 1945/House Bill No. 1817, there is hereby appropriated \$293,000.00 to the Department of Revenue to implement the act (Petroleum Products and Alternative Fuels Tax Law).

SECTION 52. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. There is hereby appropriated the following amounts which shall be in addition to the appropriations provided under Chapter 1083, Public Acts of 1996 and under Sections 1 and 38 of this act:

	1996-97	
1997-98		
Judicial		
1. Indigent Defendants' Counsel	\$ 600,000	\$
1,583,000		
Labor		
1. Second Injury Fund \$ 2,500,000	\$ 2,500,000	
Health		
1. Families First - Nurses' Visits	\$ -	\$
600,000		
TOTAL	\$ 3,100,000	\$
4,683,000		

The Commissioner of Finance and Administration is authorized to establish positions as may be required by the Department of Health and to transfer the appropriation to TennCare and to adjust federal aid and interdepartmental revenue accordingly.

SECTION 53.

(a) If the board of trustees determines, after reviewing the actuarial valuation as of June 30, 1997, that the recommended employer contribution rate for state employees and teachers is less than the rate in effect on June 30, 1997, the recommended employer contribution shall be adjusted effective July 1, 1997, and the excess appropriation contained in this act resulting from the reduction in annual contribution requirements for the fiscal year ending June 30, 1998 shall be utilized by the board of trustees as follows so long as such action will not cause retirement contribution rates to increase above those in effect on June 30, 1997:

(1) Any excess appropriations shall first be utilized to fund the compound cost of living adjustment authorized in SB 517 / HB 1401, subject to passage. This adjustment shall be made January 1, 1998, based on available excess contributions.

(2) Any excess appropriation shall next be utilized to permanently fund the three and six-tenths percent (3.6%) adjustment in computing average final compensation, subject to passage of SB 379 / HB 166. This funding shall be required in the 1998-99 fiscal year, based on available excess appropriations.

(b)(1) Dependent upon a finding by the Commissioner of Finance and Administration that funding from the reduced contribution rate or any other sources is available, a sum sufficient is hereby appropriated for a cost of living salary adjustment for state employees and teachers of up to one and one-half percent (1.5%) in one-half percent (1/2%) increments based on the December 31, 1997 salaries of such employees and teachers. This adjustment shall be made January 1, 1998.

(2) Dependent upon a finding by the Commissioner of Finance and Administration that funding from the reduced contribution rate or any other sources is available, an amount not to exceed three million nine hundred thousand dollars (\$3,900,000) is appropriated for state match for state group insurance premiums. The General Assembly recognizes that the provisions of HB 1516 / SB 1201 shall be funded from such appropriation.

(3) Dependent upon a finding by the Commissioner of Finance and Administration that funding from the reduced contribution rate or any other sources is available, there is appropriated an amount not to exceed seven million five hundred thousand dollars (\$7,500,000) to institutions of the University of Tennessee and Tennessee Board of Regents systems. These funds shall be distributed in accordance with the following schedule:

Institution/Unit	Non-recurring
Austin Peay	\$ 278,400
East Tennessee	491,900
Middle Tennessee	685,300
Tennessee State	348,100
Tennessee Tech	411,800
University of Memphis	987,600
Subtotal TBR Universities	\$ 3,203,100
Chattanooga	\$ 200,600
Cleveland	88,200
Columbia	92,800
Dyersburg	53,100
Jackson	89,900
Motlow	79,000
Nashville State Tech	104,300
NorthEast	82,500
Pellissippi	166,200
Roane	147,700
Shelby	171,300
State Tech at Memphis	197,000
Volunteer	129,000
Walters State	136,900
Subtotal 2-Year Institutions	\$ 1,738,500
UT Chattanooga	\$ 356,200
UT Knoxville	1,609,900
UT Martin	271,700
Subtotal UT Universities	\$ 2,237,800
Subtotal Academic Units	\$ 7,179,400

Technology Centers	320,600
Total Formula Units	\$ 7,500,000.

The non-recurring amounts appropriated hereby are restorations of a portion of the reversions from such institutions during the 1996-97 fiscal year.

(4) Dependent upon a finding by the Commissioner of Finance and Administration that funding from the reduced contribution rate or any other sources is available, an amount not to exceed fifteen million dollars (\$15,000,000) is appropriated to restore reductions in the Tennessee Housing Development Agency bond fund reserves. This appropriation is non-recurring.

(5) Dependent upon a finding by the Commissioner of Finance and Administration that funding from the reduced contribution rate or any other sources is available, an amount not to exceed thirty million dollars (\$30,000,000) is appropriated to restore reductions in the Tennessee Housing Development Agency assets fund. This appropriation is non-recurring.

(6) Dependent upon a finding by the Commissioner of Finance and Administration that funding from the reduced contribution rate or any other sources is available, a sum sufficient is hereby appropriated for a cost of living salary adjustment for state employees and teachers of one-half percent (.5%) based on the December 31, 1997 salaries of such employees and teachers. This adjustment shall be made January 1, 1998.

(7) To the extent state revenues and/or other funds made available to the general fund for the fiscal year ending June 30, 1998, exceed the requirements of such fund for the year ending June 30, 1998, the Commissioner of Finance and Administration is authorized to establish the revenue fluctuation reserve in the amount of \$95,081,500; provided, however, that if additional revenues and/or other funds made available to the general fund exceed such amount, the commissioner is authorized to increase such reserve.

(c) It is the intent of the General Assembly in authorizing these contingent appropriations that, based on available recurring or nonrecurring funds as appropriate, the appropriations contained in this section be implemented in the order stated in this section.

SECTION 54. The appropriation made by the provisions of this act to fund the three and six-tenths percent (3.6%) adjustment in computing average final compensation provided for in Tennessee Code Annotated, Section 8-34-101(4)(B) is hereby reduced by the sum of one hundred five thousand dollars (\$105,000) to recognize non-state funding of this item.

SECTION 55. The appropriation to the Department of Tourist Development for advertising is hereby reduced by the sum of three million dollars (\$3,000,000). In recognition that legislation to fund a portion of the appropriation to the TIIPS program will not become law, the appropriation to the TIIPS program is hereby reduced by the sum of five million dollars (\$5,000,000). In addition to any other funds appropriated by the

provisions of this act, there is appropriated the sum of seven million dollars (\$7,000,000) to the Department of Finance and Administration for industrial and tourism development activities. It is the intention of the General Assembly that the funds appropriated by the provisions of this act be nonrecurring and that the Commissioner of Finance and Administration allocate such funds in a manner which will maximize the benefits to the state.

SECTION 56. The appropriation made to the Department of Revenue in Section 1, Title III-18 is hereby reduced by the sum of four hundred seventy-four thousand six hundred dollars (\$474,600). It is the legislative intent that the increase in funds for administration of the collection of local option sales tax appropriated in Section 4, Title III-19 be used to replace this reduction.

SECTION 57. The appropriation to the Department of Correction for the Sentencing Act of 1985 is reduced by the sum of three million seven hundred thousand dollars (\$3,700,000).

SECTION 58. The appropriation to the Department of Labor for computer systems is reduced by the sum of one million five hundred thousand dollars (\$1,500,000).

SECTION 59. Section 1, Title III--21, Item 15 of the original bill is hereby deleted. From the funds appropriated to the Tennessee Higher Education Commission by the provisions of this act, there is earmarked the sum of one hundred thousand dollars (\$100,000) to provide funding for the Higher Education Study Panel.

SECTION 60. It is the legislative intention to recognize a savings in the career ladder program in an amount not to exceed three million dollars (\$3,000,000) pursuant to the provisions of House Bill No. 209 / Senate Bill No. 25, subject to such bill becoming law.

SECTION 61. If any provisions of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 62. This act shall take effect July 1, 1997, the public welfare requiring it; provided, however, that any provision of this act which authorizes prior or immediate expenditures and any section which specifies an immediate effective date shall take effect upon becoming a law, the public welfare requiring it.